

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW
265 FRANKLIN STREET
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:
(617) 951-1354
(617) 951-0586

DAVID S. ROSENZWEIG
E-mail: drosen@kwplaw.com

May 21, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station – 2nd Floor
Boston, Massachusetts 02110

Subject: NSTAR Electric - Default Service Tariffs

Dear Secretary Cottrell:

Boston Edison Company, Commonwealth Electric Company, and Cambridge Electric Light Company (together, "NSTAR Electric") hereby submit the results of their most recent solicitation for Default Service supply together with proposed Default Service tariffs resulting from that solicitation. This filing is made in accordance with the provisions of G.L. c. 164, § 1B(d); 220 C.M.R. §§ 5.00 and 11.00 et seq.; Default Service Pricing and Procurement, D.T.E. 99-60-B (2000); Default Service Pricing and Procurement, D.T.E. 99-60-C (2000); and Default Service, D.T.E. 02-40-C (2003). NSTAR Electric requests that the Department of Telecommunications and Energy (the "Department") approve the tariffs within five business days to become effective on July 1, 2004, subject to future reconciliation of costs by the Department. Please find enclosed the filing fee of \$300 for the three tariffs.

NSTAR Electric requests approval of the following proposed tariffs, which are enclosed herewith as Appendix C:

Boston Edison Company – M.D.T.E. No. 103E, Default Service Rate;

Cambridge Electric Light Company – M.D.T.E. No. 203E, Default Service Rate;
and

Commonwealth Electric Company – M.D.T.E. No. 303E, Default Service Rate.

On April 13, 2004, NSTAR Electric issued a Request for Proposals ("RFP") for Default Service supply for delivery terms commencing July 1, 2004. A copy of the RFP is enclosed herewith as Appendix A. The RFP sought fixed-price proposals, which could vary by calendar month, to serve: (1) 50 percent of the Default Service load for residential and commercial customer groups of each distribution company for the period

July 1, 2004 through June 30, 2005; and (2) 100 percent of the Default Service load for customers in the industrial customer groups of each distribution company for the period July 1, 2004 through September 30, 2004. On March 1, 2005, Standard Offer Service will expire by statute, and on that date Standard Offer Service customers that do not choose a competitive supplier ("Transitional Customers") will be served by NSTAR Electric's Default Service. See G.L. c. 164, § 1B(b). In accordance with the directives of the Department, the RFP sought proposals for 50 percent of the NSTAR Electric's total residential and commercial load for the period March 1, 2005 through June 30, 2005, including those residential and commercial Transitional Customers.

NSTAR Electric received a number of responses from bidders by the April 23, 2004 deadline. The bids were evaluated and a ranking of bids was established. After an initial evaluation of each of the bids, NSTAR Electric engaged in extensive negotiations with a short list of bidders and ultimately entered into a contract to purchase Default Service load for each of its customer classes in the proportional amounts referenced above.¹

In accordance with Department precedent, NSTAR Electric has followed the following protocols in procuring its Default Service supply for the period commencing July 1, 2004:

- the RFP solicited Default Service proposals with separate bid prices on a load-zone-specific basis (see D.T.E. 02-40-A at 13);
- the RFP solicited proposals that included Renewable Energy Portfolio Standards ("RPS") requirement costs for the load being served (see D.T.E. 02-40-B at 17); and
- the RFP solicited Default Service proposals for industrial customers for a three-month period only (see D.T.E. 02-40-C at 22).

In accordance with the directives of the Department, the contractual commitments for 2005 include Default Service supplies for residential and commercial Transitional Customers for the period March 1, 2005 through June 30, 2005. Consistent with those directives, NSTAR Electric has also included a provision that could result in a "Regulatory Event Payment" in the event that the Massachusetts General Laws are amended or otherwise altered through legislative, regulatory or court action, such that certain or all of NSTAR Electric's customers who were otherwise anticipated to receive service under this Contract do not take such service (see Appendix B, contract attachment, at § 6.5). This provision was included to address the possibility that

¹ As part of its September 2003 solicitation of Default Service power supply, NSTAR Electric procured 50 percent of its Default Service requirements for its residential and commercial customers for the period July 1, 2004 through December 31, 2004. NSTAR Electric filed the results of that solicitation with the Department on November 17, 2003.

legislative, regulatory or court action may be taken during the term of the Default Service Agreement that may cause customers either to not take Default Service, or to leave Default Service between March 1, 2005 and June 30, 2005 in significant numbers. This type of "regulatory event" would require NSTAR Electric to compensate its Default Service supplier for costs relating to a significant loss in Default Service load.

In addition, NSTAR Electric's proposed Default Service tariffs address the pending implementation of a Federal Energy Regulatory Commission ("FERC") policy requiring ISO New England, Inc. ("ISO-NE") to develop and implement a mechanism that includes location or deliverability requirements in the Installed Capacity ("ICAP") market ("Locational ICAP"). See Devon Power LLC, 103 FERC ¶ 61,082 (2003).² ISO-NE has filed a compliance filing with FERC regarding the FERC's new Locational ICAP policy. If, as expected, ISO-NE implements its Locational ICAP policy during the July 1, 2004 to December 31, 2004 period, NSTAR Electric will be responsible for procuring Locational ICAP from the market, and thus, will incur costs relating to such procurement.

Because of this pending regulatory event, NSTAR Electric has calculated its Default Service prices for the period July 1, 2004 through December 31, 2004 (for residential and commercial customers) and the period July 1, 2004 through September 30, 2004 (for industrial customers) to include Locational ICAP costs, where applicable. The forecast costs for Locational ICAP are based on competitive cost information provided to NSTAR Electric in the context of its April RFP.³ Although NSTAR Electric is confident of its forecast of Locational ICAP costs included in its Default Service rates, all Default Service costs, including Locational ICAP costs and any Regulatory Event Payment will be subject to reconciliation in NSTAR Electric's annual reconciliation filings.

NSTAR Electric has contracted for Default Service supplies and hereby requests that the Department approve the implementation of the new Default Service rates effective for usage from July 1, 2004 through December 31, 2004 for residential and commercial customers and July 1, 2004 through September 30, 2004 for industrial customers. An explanation of the calculation of the Default Service prices may be found in Appendix B [CONFIDENTIAL]. Because Appendix B [CONFIDENTIAL] contains specific contract and pricing terms that are proprietary and confidential, copies of Appendix B [CONFIDENTIAL] are being filed only with the Secretary and

² "Locational ICAP" may manifest itself in future NSTAR Electric Default Service supply agreements as either a charge assessed upon, or a product required to be supplied by, an owner of a load asset in association with the non-energy locational value of generation resources within the New England Power Pool region. In Devon, FERC ordered ISO-NE to file a Locational ICAP mechanism no later than March 1, 2004, for implementation no later than June 1, 2004. New England Power Pool and ISO New England, Inc., 103 FERC ¶ 61,304, at 29 (June 6, 2003).

³ The Company will procure Locational ICAP from the market once the FERC issues its final order regarding Locational ICAP.

Department staff, under separate cover. A Motion for Protective Treatment with respect to Appendix B and an Affidavit of Ellen K. Angley in support thereof are enclosed herewith.

When combined with the Default Service supply procured for the period July 1, 2004 through December 31, 2004 through NSTAR Electric's September 2003 RFP, NSTAR Electric's RFP resulted in the following rates for each of the three distribution companies (in cents/kWh at the retail customer level):

BOSTON EDISON COMPANY⁴

Fixed Price Option: July 2004 - December 2004

Residential	6.526
Commercial	6.566
Industrial (NEMA) (through September 2004)	7.307
Industrial (SEMA) (through September 2004)	6.945
Street Lighting	6.566

Variable Price Option: July 2004 – December 2004

	July	August	September	October	November	December
Residential	6.882	6.989	6.315	5.960	6.312	6.619
Commercial	7.121	7.248	6.308	5.934	6.193	6.466
Industrial (NEMA)	7.495	7.643	6.775	N/A	N/A	N/A
Industrial (SEMA)	7.133	7.276	6.414	N/A	N/A	N/A
Street Lighting	7.121	7.248	6.308	5.934	6.193	6.466

⁴ The retail prices for Boston Edison residential and commercial customers represent the weighted average of the NEMA and SEMA prices, based on a ratio of 93 percent load for NEMA and 7 percent load for SEMA for residential customers and a ratio of 94 percent load for NEMA and 6 percent load for SEMA for commercial customers.

CAMBRIDGE ELECTRIC LIGHT COMPANY

Fixed Price Option: July 2004 - December 2004

Residential	6.269
Commercial	6.290
Industrial (through September 2004)	6.906
Street Lighting	6.290

Variable Price Option: July 2004 - December 2004

	July	August	September	October	November	December
Residential	6.676	6.756	5.972	5.806	6.062	6.268
Commercial	6.889	6.972	5.992	5.771	5.937	6.088
Industrial	7.085	7.225	6.404	N/A	N/A	N/A
Street Lighting	6.889	6.972	5.992	5.771	5.937	6.088

COMMONWEALTH ELECTRIC COMPANY

Fixed Price Option: July 2004 - December 2004

Residential	6.093
Commercial	6.025
Industrial (through September 2004)	6.741
Street Lighting	6.025

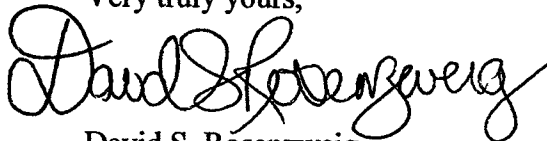
Variable Price Option: July 2004-December 2004

	July	August	September	October	November	December
Residential	6.482	6.554	5.798	5.633	5.910	6.076
Commercial	6.591	6.706	5.723	5.529	5.675	5.754
Industrial	6.928	7.068	6.230	N/A	N/A	N/A
Street Lighting	6.591	6.706	5.723	5.529	5.675	5.754

NSTAR Electric will continue to comply with the Department's order in D.T.E. 99-60-C, with respect to notifying customers of the change in Default Service rates. Accordingly, NSTAR Electric will post the new rates on its website and make them available via a toll-free telephone number.

In summary, NSTAR Electric respectfully requests the Department permit the implementation of the new Default Service rates effective for usage commencing on July 1, 2004. If you have any questions with regard to this matter, please feel free to contact me or Jack Habib at 617-951-1400.

Very truly yours,



David S. Rosenzweig

Enclosures

cc: Jeanne Voveris, Hearing Officer
Ronald LeComte, Director, Electric Power Division
Kevin Brannelly, Director, Rates and Revenue Requirements Division
Joseph Rogers, Assistant Attorney General
Robert Sydney, General Counsel, DOER
Angela O'Connor, AIM
Henry LaMontagne
Ellen Anglely
Tam Ly

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

_____)
Boston Edison Company,)
Cambridge Electric Light Company, and)
Commonwealth Electric Company)
Default Service Rate Filing)
_____)

**MOTION FOR PROTECTIVE TREATMENT
OF CONFIDENTIAL INFORMATION**

Now come Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company (collectively, the “Companies” or “NSTAR Electric”) and hereby request that the Department of Telecommunications and Energy (the “Department”) grant protection from public disclosure of certain confidential, sensitive and proprietary information submitted in this proceeding in accordance with G.L. c. 25, § 5D.

On this date, NSTAR Electric submitted the results of its solicitation for Default Service supply and supporting documentation, including information provided in Appendix B to the filing.¹ Appendix B contains various cost and procurement information that is confidential, competitively sensitive and proprietary. NSTAR Electric requests that certain information contained in Appendix B to the May 21, 2004 Default Service filing be protected from public disclosure.

¹ Appendix B includes the document marked as such, Schedules A, 1, 2 and 3 and the Default Service contract executed by the Companies that is relevant to this filing.

Confidential information may be protected from public disclosure in accordance with G.L. c. 25, § 5D, which states in part that:

The [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such protection is sought is public information and the burden shall be on the proponent of such protection to prove the need for such protection. Where the need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

In interpreting the statute, the Department has held that:

[T]he burden on the company is to establish the need for protection of the information cited by the company. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and the specific reasons why disclosure of the disputed information benefits the public interest.

The Berkshire Gas Company et al., D.P.U. 93-187/188/189/190, at 16 (1994) as cited in Hearing Officer's Ruling On the Motion of Boston Gas Company for Confidentiality, D.P.U. 96-50, at 4 (1996).

Appendix B contains confidential, competitively sensitive and proprietary information including market prices for Default Service offered to NSTAR Electric, along with detailed calculations used to derive these market prices. In addition, specific contract and pricing terms are included in Appendix B. This information should be protected from public disclosure to protect the Companies' future negotiating position when seeking to procure Default Service for their customers. Furthermore, in its Request For Proposals, NSTAR Electric indicated that it would treat all bid information as confidential, and in their bids suppliers requested such confidential treatment. Disclosure of such information could be detrimental to NSTAR Electric's customers who stand to benefit from the Companies' ability to minimize the price paid for Default Service power.

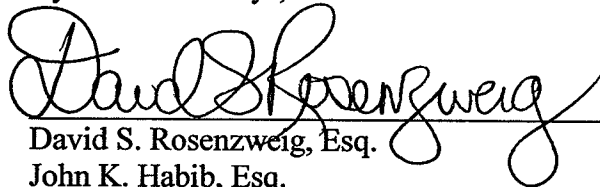
Therefore, because the cost and performance information in Appendix B is competitively sensitive, NSTAR Electric requests that such information be protected from public disclosure.

WHEREFORE, for the reasons stated above, the Companies request that the Department grant their motion to protect from public disclosure confidential, competitively sensitive and proprietary information, as contained in Appendix B.

Respectfully submitted,

**BOSTON EDISON COMPANY
CAMBRIDGE ELECTRIC LIGHT COMPANY
COMMONWEALTH ELECTRIC COMPANY**

By Their Attorneys,

A handwritten signature in cursive script, reading "David S. Rosenzweig", written over a horizontal line.

David S. Rosenzweig, Esq.

John K. Habib, Esq.

Keegan, Werlin & Pabian, LLP

265 Franklin Street, 6th Floor

Boston, MA 02110

Telephone: (617) 951-1400

Telecopier: (617) 951-1354

Dated: May 21, 2004

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Boston Edison Company,)
Cambridge Electric Light Company, and)
Commonwealth Electric Company)
Default Service Rate Filing)

AFFIDAVIT OF ELLEN K. ANGLEY

Ellen K. Angley, being duly sworn, deposes and says as follows:

1. I am the Vice President, Electric and Gas Energy Supply & Transmission for Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, each d/b/a NSTAR Electric ("NSTAR Electric") and NSTAR Gas Company (collectively, with NSTAR Electric, the "Companies"). In this capacity, I am responsible for coordinating the procurement of supplies for Standard Offer and Default Service for NSTAR Electric.
2. I graduated from Westfield State College in Massachusetts in 1980 with a Bachelors Degree in Economics and from Northeastern University in Massachusetts in 1987 with a Masters in Business Administration. Prior to assuming my present position in 2002, I was Vice President, Transmission & Distribution Asset Management from 1999 to 2002, with responsibilities including oversight of all aspects of budgeting, planning, and engineering, and technical training required to support the electric and gas distribution and electric transmission system. From 1998 to 1999, I was General Manager, Distribution Asset Management, where I led the establishment and monitoring of strategic and tactical distribution operations goals including all resource allocations and engineering decisions. From 1997 to 1998, I was Asset Management, Fossil & Distribution Business Units, where I led the development and implementation of an asset management organization to support the distribution system on an ongoing basis and the fossil fleet through divestiture. Between 1990 and 1996, I held various positions including: (1) Asset Performance Management, Fossil Generation Business Unit; (2) Supply Planning Manager; and (3) Demand Planning Manager. Between 1981 and 1989, I held senior research analyst positions in Demand Planning and in Boston Edison Company's Rate Research Division.

3. In my current position, I am responsible for securing a least-cost energy supply and for mitigating the cost incurred under existing above-market power purchase agreements ("PPAs"). My responsibilities currently include coordinating the sale of NSTAR Electric's PPAs and supervising employees whose responsibilities include securing supply for standard offer, default service and wholesale energy customers.
4. Since the implementation of electric industry restructuring in March 1998, NSTAR Electric has been responsible for supplying retail customers with Standard Offer and Default Service. On April 13, 2004, NSTAR Electric issued a Request for Proposals for competitive bids for Default Service for a delivery term commencing July 1, 2004 (the "RFP"). Final binding bids were due on April 23, 2004.
5. Appendix B to NSTAR Electric's May 21, 2004 Default Service filing includes the results of the solicitation for Default Service supply and supporting documentation, including various cost and procurement information that is confidential, competitively sensitive and proprietary. NSTAR Electric is requesting that the information contained in Appendix B be protected from public disclosure.
6. The cost and procurement information in Appendix B contains confidential, competitively sensitive and proprietary information including market prices for Default Service offered to NSTAR Electric, along with detailed calculations used to derive these market prices. In addition, specific contract and pricing terms are included in Appendix B.
7. This information contained in Appendix B should be protected from public disclosure to protect NSTAR Electric's future negotiating position when seeking to procure Default Service for its customers. Disclosure of such information would inhibit the ability of NSTAR Electric to minimize the price paid for Default Service by its customers in the future because wholesale suppliers of electricity maintain such information as proprietary. If bidders believe that the prices and terms of their bids will become publicly available, they will be reluctant both to submit proposals and to bid the lowest price possible.
8. Furthermore, in its RFP, NSTAR Electric indicated that it would treat all bid information as confidential and in their bids, suppliers requested such confidential treatment. Suppliers require confidential treatment to provide NSTAR Electric with the lowest possible price without compromising their bids to other electric companies who are also soliciting electricity for their customers.

9. Disclosure of such information could be detrimental to NSTAR Electric's customers who stand to benefit from NSTAR Electric's ability to minimize the price paid for Default Service power. Based on my experience and on communications with power suppliers, if power suppliers know that the prices they bid will be publicly disclosed, they will either not bid at all or they will add a premium on to the prices bid because other electric companies will gain access to the negotiated lowest bid offered by the supplier in other negotiated circumstances.

Signed under the pains and penalties of perjury this 21th day of May 2004.

Eric K. Lynn

Appendix A

**BOSTON EDISON COMPANY,
COMMONWEALTH ELECTRIC COMPANY
AND
CAMBRIDGE ELECTRIC LIGHT COMPANY**

**REQUEST FOR PROPOSALS
FOR POWER SUPPLY FOR DEFAULT SERVICE**

For the Delivery Term commencing
July 1, 2004

April 13, 2004

**BOSTON EDISON COMPANY,
COMMONWEALTH ELECTRIC COMPANY
AND
CAMBRIDGE ELECTRIC LIGHT COMPANY**

**REQUEST FOR PROPOSALS
FOR POWER SUPPLY
FOR DEFAULT SERVICE**

April 13, 2004

TABLE OF CONTENTS

I.	Introduction and Background.....	Page 1
II.	Default Service Requirement.....	Page 2
III.	Delivery.....	Page 3
IV.	Nature of Service	Page 3
V.	Expected Load.....	Page 4
VI.	Regulatory Event/ Regulatory Event Payment	Page 4
VII.	Proposals.....	Page 5
VIII.	Locational Installed Capacity.....	Page 6
IX.	Terms and Conditions	Page 6
X.	Supplier Requirements.....	Page 7
XI.	Retail Customer Relationships.....	Page 7
XII.	Right to Reject/Select Supplier.....	Page 8
XIII.	Process and Schedule.....	Page 8
	A. Schedule.....	Page 8
	B. Communications.....	Page 9
	C. Confidentiality.....	Page 9
	D. Evaluation	Page 9

Appendix A-1 – Default Service Power Supply Agreement

Appendix B – Proposal Form

**BOSTON EDISON COMPANY,
COMMONWEALTH ELECTRIC COMPANY
AND
CAMBRIDGE ELECTRIC LIGHT COMPANY**

**REQUEST FOR PROPOSALS
FOR POWER SUPPLY FOR DEFAULT SERVICE**

April 13, 2004

I. Introduction and Background

The Massachusetts Electric Industry Restructuring Act of 1997 (the "Act") provided for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers. The Act provided access for all retail customers of Boston Edison Company ("BECO"), Commonwealth Electric Company ("Commonwealth") and Cambridge Electric Light Company ("Cambridge") (together, "NSTAR Electric") as of March 1, 1998. The Act requires each distribution company to provide default service to those customers who are not receiving generation service as part of the Standard Offer Service option or from a competitive supplier ("Default Service"). The Act further requires Default Service to be competitively procured. In addition, the Massachusetts Department of Telecommunications and Energy ("DTE") has conducted a generic proceeding on rules and procedures for the provision of and pricing of Default Service¹. As a result of that proceeding, the DTE ordered all electric companies in Massachusetts to procure Default Service through competitive solicitations by customer group (residential, commercial and industrial) and to procure such power at fixed monthly prices. In subsequent proceedings, the DTE again considered issues relating to the procurement of Default Service and the implementation of a congestion management and multi-settlement system within structured markets (Standard Market Design). In the first resulting order, the DTE considered the effects of congestion costs and locational marginal pricing ("LMP") related to the procurement of Default Service. This order requires all electric companies in Massachusetts to procure Default Service supply on a load zone-specific basis and to establish separate Default Service prices for each load zone for large C&I customers². In a second order, the DTE has required distribution companies to procure Default Service supply on a quarterly basis for their large commercial and industrial customers.³

The NSTAR Electric companies (BECO, Commonwealth and Cambridge) are each direct or indirect subsidiaries of NSTAR Electric and Gas Corporation, with a principal place of business at 800 Boylston Street, Boston, MA 02199. NSTAR Electric is hereby issuing this Request for Proposals ("RFP") to solicit and evaluate competing power supply offers from qualified power suppliers ("Suppliers") to supply firm, load-following power to meet the Default Service

¹ Default Service, D.T.E. 99-60 (1999) (Notice of Inquiry).

² Default Service, D.T.E. 02-40-A (February 13, 2003).

³ Default Service, D.T.E. 02-40-C (September 11, 2003).

requirements (as defined below) for each of the designated residential, commercial and industrial customer groups on a load zone-specific basis for the Delivery Term. Although Suppliers need not provide bids for each customer group or for each distribution company, Suppliers must provide separate fixed monthly pricing for each of the customer groups and load zones bid upon. NSTAR Electric plans to award the power supply for Default Service by customer group and load zone based on the bids received and the best interests of its retail customers. In addition, proposals to serve less than 100% of the available load of a customer group or proposals to serve individual calendar months will also be considered.

For the purposes of this solicitation, the customers of Commonwealth Electric Company are within the Southeastern Massachusetts load zone ("SEMA") and the customers of Cambridge Electric Light Company are within the Northeastern Massachusetts load zone ("NEMA"). The customers of Boston Edison Company are within both the SEMA and NEMA load zones.

In addition, for the purposes of this solicitation, the Commercial Customer Group includes small and medium commercial and industrial customers and streetlights, and the Industrial Customer Group includes large commercial and industrial customers. The customer groups are as follows:

Customer Group	Rate Classes
Residential	BECO rates R-1, R-2, R-3 and R-4; Commonwealth rates R-1, R-2, R-3, R-4, R-5 and R-6; and Cambridge rates R-1, R-2, R-3, R-4, R-5 and R-6
Commercial (including street lighting)	BECO rates G-1, G-2, T-1 and street lights; Commonwealth rates G-1, G-4, G-5, G-6, G-7 and street lights; and Cambridge rates G-0, G-1, G-4, G-5, G-6 and street lights
Industrial	BECO rates G-3 and T-2; Commonwealth rates G-2 and G-3; and Cambridge rates G-2 and G-3

II. Default Service Requirement

NSTAR Electric is soliciting offers for power supply, by load zone, to meet the needs of NSTAR Electric's end-use customers in the Commercial Customer Group, the Industrial Customer Group and the Residential Customer Group, who are taking service pursuant to the Default Service Tariff. Default Service is provided to retail customers who are not otherwise eligible for Standard Offer Service or are not taking service from a competitive supplier. Service to customers can be initiated by: (a) a customer notifying the applicable NSTAR company that it wishes to terminate service from its competitive supplier and commence Default Service; (b) a competitive supplier notifying the applicable NSTAR company that it is terminating service to a customer; (c) a competitive supplier ceasing to provide service to a customer; or (d) a customer moving into NSTAR Electric's service territory after March 1, 1998, who has not affirmatively

chosen a competitive supplier and is not otherwise eligible for Standard Offer Service. This solicitation also covers the period following the expiration of Standard Offer Service for the NSTAR companies on February 28th 2005. Customers who are on Standard Offer Service as of February 28, 2005 and who would otherwise transition to Default Service starting on March 1, 2005 are referred to herein as "Transitional Default Service Customers", and procured for under this solicitation by the submittal of separate bids as described below.

The power supply solicited is to begin: (a) for the hour ending at 0100 Eastern Prevailing Time (EPT) on July 1, 2004 and to terminate on the hour ending 2400 EPT on June 30, 2005 for 50% of the Default Service load for customers in the Residential and Commercial Customer Groups; (b) for the hour ending 0100 EPT on July 1, 2004 and to terminate on the hour ending 2400 EPT on September 30, 2004 for 100% of the Default Service load for customers in the Industrial Customer Groups; and (c) for the hour ending 0100 EPT on March 1, 2005 and to terminate on the hour ending 2400 EPT on June 30, 2005 for 50% of the load for Transitional Default Service Customers in the Residential and Commercial Customer Groups. The remaining 50% of supply needs for this group will be procured in a later solicitation. In addition, Suppliers may provide separate bids for more than one of these Delivery Terms, or for specific months within these Delivery Terms. NSTAR Electric will consider only fixed price bids that can be evaluated on a fixed ¢/kWh basis.

III. Delivery

The power supply for Default Service is to be delivered to the PTF within the NEMA and SEMA Load Zones, as appropriate for delivery to each customer taking default service. If, during the Term of this Agreement, the ISO switches from using Zonal Pricing to Nodal Pricing for the purpose of settling energy purchased to serve load, as defined by SMD, the power shall be delivered to the Node or Nodes, as defined by NEPOOL, appropriate for each customer in each Customer Group. NSTAR Electric will make arrangements for NEPOOL Regional Network Service, which provides for transmission over PTF, and Local Network Service from any applicable local transmission provider(s), which provides for transmission over non-PTF. NSTAR Electric will be billed by NEPOOL and the applicable local transmission provider(s) for these services. NSTAR Electric will pay these bills and collect the costs, along with its distribution costs, from its customers through its retail distribution tariffs. Any other transmission or distribution costs will be the Suppliers' responsibility.

IV. Nature of Service

The Supplier of Default Supply Service for each customer group and load zone shall be responsible for meeting a fixed percentage of the service requirements for NSTAR Electric's customers in the customer group and load zone taking such service. These service requirements include delivery, to the PTF within the NEMA and SEMA Load Zones, of the portion of the electric capacity, energy and ancillary services required to meet the needs of NSTAR Electric's ultimate customers pursuant to the terms of the attached Default Supply Service Agreement. Supplier shall be responsible for all transmission and distribution losses associated with delivery of energy from the Delivery Points to the ultimate customers' meters.

The Supplier of Default Supply Service shall provide NSTAR Electric's renewable energy obligations resulting from the Renewable Energy Portfolio Standards promulgated at 225 CMR

14.00 et seq. These obligations are for 1.5% of the load to be from qualified New Renewable Generation Sources for the period July 1, 2004 through December 31, 2004, and 2.0% of the load to be from qualified New Renewable Generation Sources for the period January 1, 2005 through June 30, 2005.

V. Expected Loads

NSTAR Electric's customers are free, at any time, to leave Default Service to take service from competitive suppliers and to return to Default Service.

To assist Suppliers in determining the potential load requirements, upon request, NSTAR Electric will provide the following information electronically (where available):

- ❑ Aggregate historical hourly Default Service load (including losses) by customer group, by distribution company, for the period January, 2001 to February, 2003; and
- ❑ Aggregate historical hourly Default Service load (including losses) by customer group, load zone and distribution company, for the period of March, 2003 to March 2004; and
- ❑ Aggregate historical hourly Standard Offer load (including losses) by distribution company, for the period January 2001 to March 2003; and
- ❑ Aggregate historical hourly Standard Offer load (including losses) by load zone and distribution company, for the period March 2003 to March 2004; and
- ❑ Copies of latest available DOER-110 reports showing the number of Standard Offer and Default Service customers enrolled and energy consumption at retail by rate schedule.

NSTAR Electric cautions Suppliers that the information provided reflects NSTAR Electric's customers' past performance and is not a measure of future performance. It is understood and agreed that NSTAR Electric shall have no liability or responsibility to any entity resulting from the use of any such information. Suppliers are responsible for forecasting their obligations on an hourly, daily, and monthly basis. However, NSTAR Electric will provide the selected Suppliers with certain information to facilitate the projection of load requirements. Such data includes the history of energy and peak Default Service load, and subsequent updates to such information.

Suppliers may not limit the amount of power supply that may be purchased by NSTAR Electric, but may elect to bid a percentage of the load that the Supplier will serve for a particular customer group or load zone. Proposals that contain limits on the amount of power supply to be provided will be rejected.⁴

The amount of power supply for each customer group or load zone to be supplied by the winning Supplier(s) will be determined in accordance with the procedure contained in ARTICLE 6 of the proposed Power Supply Agreement, a copy of which is provided in Appendix A.

VI. Regulatory Event/ Regulatory Event Payment

⁴ For example, a Supplier offering to supply the residential customer group in the NEMA load zone must agree to supply a fixed percentage of the needs of that group. The Supplier may not offer to serve a fixed percentage of the residential customer group in the NEMA load zone with the condition that the amount of service purchased does not exceed a specified MW level in any given hour.

The Parties acknowledge and agree that under Massachusetts General Laws ("MGL") as they exist on the date of this Agreement, and the tariff provisions in accordance therewith, customers who currently receive Standard Offer Service Customers are to receive NSTAR Electric Default Service starting March 1, 2005, except to the extent such customers elect to receive service from a competitive supplier. If subsequent to the date of this Agreement the MGL is amended or otherwise altered through legislative action or regulatory mandated action, or if an order of a court is issued, or regulatory action to effectuate the foregoing legislative action or court order is taken, with the result that certain or all Customers are required to receive electric service from (i) a competitive supplier other than as a result of such Customer's own election, or (ii) NSTAR Electric on a tariff other than the Default Service Tariff (either (i) or (ii), an "Event"), the Regulatory Event Payment shall be made or credited as described below.

If there is an Regulatory Event, the Regulatory Event Payment shall be calculated by the NSTAR Electric as soon as practicable following the Regulatory Event, and shall be calculated for each month of the Regulatory Event as the product of (a) the difference between (i) the forecasted amount of Delivered Energy under this Agreement had such Regulatory Event not occurred, said forecast being the forecast for Delivered Energy as filed with the Department by the NSTAR Electric for the purpose of setting the Default Service Rates, and (ii) the adjusted forecast for service prepared and filed with the Department by the NSTAR Electric reflecting the effects of the Event; and (b) the Index Change which shall be the difference between (iii) the Regulatory Event Index for the effected month as calculated based on NYMEX settlement prices on the execution date of this agreement and (iv) the Regulatory Event Index for the effected month as calculated based on NYMEX settlement prices on the date of the Regulatory Event. The Company may, at its sole discretion, consider alternative proposals for Calculation of Event Payment which allow equal transparency and validity to market changes.

NSTAR Electric shall provide to the Supplier a written statement showing in reasonable detail the calculation and a summary of the method used to determine such amounts. The Supplier may challenge the Event Payment or the calculation thereof within fourteen (14) Calendar Days of receipt of such calculation. Supplier shall provide additional documentation in support of its alternative calculation upon the reasonable request of the NSTAR Electric. If the Event Payment is a positive amount, the NSTAR Electric shall pay the Event Payment, with its payment next due in accordance with the Agreement, less any amounts disputed. If the Event Payment is a negative amount, the Supplier shall, at the election of NSTAR Electric, either: (i) deduct the Event Payment amount from any amounts due from NSTAR Electric under the Agreement, or (ii) pay the Event Payment to NSTAR Electric within 20 days of receiving the calculation of the Event Payment. The Event Payment shall not be subject to true up or reconciliation, including true up to actual quantities delivered to customers that were Standard Offer Service Customers on February 28, 2005, or actual market prices.

VII. Proposals

Each Supplier shall submit a proposal, signed by an authorized official of the Supplier, containing the bid price information required in Appendix B. Appendix B will be provided electronically. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary. Each proposal must specify the price at which the Supplier will provide Default Service for each customer group and load zone. Purchases will be made on an "as-delivered"

energy basis with prices stated on a fixed ¢/KWH basis. Prices may vary by calendar month, but must be uniform for the entire calendar month and cover the entire Delivery Term selected by the Supplier. In addition, prices should not contain demand components or vary by time-of-use within a calendar month. Bids that contain minimum purchase requirements will be rejected. Suppliers shall specify a price for each customer group on which it bids. The price for each customer group or load zone may be different.⁵ Each proposal shall include the following:

1. Corporate history and most recent annual report;
2. Initial (if founded within the last ten years) and current capitalization;
3. Certified financial statements, including balance sheets and statements of income and cash flow with respect to the two previous fiscal years and the most recent interim period; and
4. Forms 10-K and 10-Q, submitted to the United States Securities and Exchange Commission for the two previous fiscal years, if applicable.
5. In the alternative; similar documentation for Supplier's parental entity in the event Supplier intends to rely on such entity to guarantee performance.

VIII. Locational Installed Capacity (LICAP)

Within the time period for delivery under this RFP, Suppliers may have the responsibility for the delivery of LICAP pursuant to the Standard Market Design (SMD) rules as finally approved by FERC. Because LICAP is largely undefined at this time, Suppliers are asked to make separate proposals: a) with the Suppliers taking responsibility for the delivery of LICAP under whatever terms and conditions are approved by the FERC and allocated to Default Service load under SMD, and b) with NSTAR Electric taking responsibility for the delivery of LICAP.

IX. Terms and Conditions

A winning Supplier(s) will be selected to provide Default Service to each of the customer groups and load zones during the term covered by this RFP. Each winning Supplier will provide Default Service to NSTAR Electric in accordance with the terms and conditions of the Power Supply Agreement. A copy of the proposed Power Supply Agreement, assuming one Supplier serves all customer groups and load zones, is provided in Appendix A-1. The winning Supplier(s) will be

⁵ For example, a Supplier may bid to serve the residential customer group in the SEMA load zone at X¢/kWh, the commercial customer group in the SEMA load zone at Y¢/kWh and the industrial customer group in the SEMA load zone at Z¢/kWh for the month of July 2004. For the month of August 2004, a Supplier may bid to serve the residential customer group in the SEMA load zone at A¢/kWh, the commercial customer group in the SEMA load zone at B¢/kWh and the industrial customer group in the SEMA load zone at D¢/kWh.

required to execute the applicable Power Supply Agreement(s) within five (5) business days of being notified that it has been selected as the winning Supplier. Should a Supplier request NSTAR Electric to consider any changes to the Power Supply Agreement, such request should be presented as a mark up to the PSA to NSTAR Electric by 4:00 pm EPT on Friday, April 23, 2004.

X: Supplier Requirements For Default Service

Each Supplier must obtain all necessary regulatory approvals required to enable it to provide the applicable service prior to July 1, 2004.

Each Supplier responding to this RFP must meet certain conditions, including but not limited to:

A. Each Supplier must be a member of NEPOOL and have a settlement account established with the NEPOOL billing system throughout the term of the period covered by this RFP.

B. Demonstrate ability to comply with NEPOOL and ISO requirements;

C. Demonstrate the ability to access resources sufficient to supply the amount committed (not be to be construed as requiring a potential supplier to hold title to power required at the time of the proposal);

D. Demonstrate that it has the financial resources to perform its obligations. Further, Supplier shall be required to provide financial assurances and instruments satisfactory to cover NSTAR Electric's replacement power costs in the event of Supplier default including a Letter of Credit in the amount of Forty Million United States Dollars (\$40,000,000) prorated to the amount of Load supplied;

E. Demonstrate its own experience and qualifications (not that of its affiliates or special purpose entities) to provide the amount and type of power offered;

F. Commit to assisting and cooperating with NSTAR Electric in any regulatory or judicial process relating to the proposed purchase, at the Supplier's expense;

G. Demonstrate the ability to meet the labeling and disclosure requirements of the Massachusetts legislation for all resources bid; and

XI. Retail Customer Relationships

All customers taking Default Services covered by this RFP will remain retail customers of NSTAR Electric. As the retail provider, NSTAR Electric will bill customers for the service provided and will provide customer service to all customers taking Default Service. NSTAR

Electric will use reasonable efforts to provide notification to the Supplier(s) of Default Service of significant customer enrollments and terminations within a customer group.

XII. Right to Reject/Select Supplier

Although it is NSTAR Electric's firm intent to select Suppliers as a result of this RFP, NSTAR Electric shall have the exclusive right to select or reject any and/or all of the proposals submitted at any time, for any reason and to disregard any submission not prepared according to the requirements contained in this RFP. Further, NSTAR Electric expressly reserves the right, in its sole and absolute discretion, to seek clarifications of any submissions, to negotiate to seek modifications to any submissions, to unilaterally change the schedule described herein or modify any of the rules and procedures set forth herein or any other procedures, to terminate the process described herein, and to invite any (or none) of the Suppliers to participate further in the process, all without prior notice to other potential parties.

A person's or an entity's preparation for this process, submission of information in response to this RFP, or participation in this process shall not operate to vest any rights in that person or entity or to create any duties or obligations for NSTAR Electric.

All submissions shall constitute an offer to sell to NSTAR Electric Default Supply Service to each customer group and load zone and such offer shall be deemed to be held open until the earlier of April 30 or the date on which it is either accepted or rejected. Pricing contained in such offer may not be changed or withdrawn during this period.

XIII. Process and Schedule

A. Schedule

NSTAR Electric intends to adhere to the following schedule, although it reserves the right to modify the schedule at any time at its sole discretion.

Issue RFP	April 13, 2004
Notice of Intent to Participate	April 15, 2004
Proposals due	April 23, 2004 at 4 p.m. EPT
Award Group Selected	April 27, 2004
Contracts finalized	April 30, 2004
Power Supply begins	July 1, 2004

B. Communications

All communications regarding this RFP must be in writing and may be made by hand delivery, fax or E-mail, addressed to:

NSTAR Electric & Gas Corporation
Electric and Gas Energy Supply
One NSTAR Way, NE220
Westwood, MA 02090-9230
Attn: James G. Daly
Gary L. Cunningham

Fax: 781-441-8066
E-mail: energy_supply@nstaronline.com

Proposals that have been e-mailed or faxed by 4:00 PM, April 23, 2004 must also be delivered by mail or by hand by April 26, 2004.

C. Confidentiality

NSTAR Electric agrees that it will treat the non-public information it receives from Suppliers in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party or use such information for any purpose other than in connection with this RFP; provided, that, in any regulatory, administrative or jurisdictional proceeding in which confidential information is sought, NSTAR Electric shall take reasonable steps to limit disclosure and use of said information through the use of non-disclosure agreements or orders seeking protective treatment, and shall inform the Supplier if confidential information is being sought. Notwithstanding the foregoing, in any regulatory proceeding in which such confidential information is sought and a request for confidential treatment is made to the DTE, NSTAR Electric shall not be responsible in the event that it is determined that the request for treating information in a confidential manner is not warranted.

D. Evaluation

Proposals will be evaluated on the following bases:

1. Lowest evaluated bid price by customer group and load zone;
2. Responsiveness to non-price requirements; and
3. Risk relative to price and ability to serve the load.

In evaluating bid prices, NSTAR Electric will weigh monthly bids based on a forecast of the monthly Default Service load. In addition, while preference will be given to conforming bids, NSTAR may, at its discretion, review and select non-conforming bids.

DEFAULT SERVICE POWER SUPPLY AGREEMENT

DATED AS OF [], 2004

BY AND AMONG BOSTON EDISON COMPANY,

CAMBRIDGE ELECTRIC LIGHT COMPANY,

COMMONWEALTH ELECTRIC COMPANY AND

[SUPPLIER]

TABLE OF CONTENTS

ARTICLE 1.	<u>BASIC UNDERSTANDINGS</u>	<u>5</u>	<input type="button" value="Dele"/>
ARTICLE 2.	<u>DEFINITIONS</u>	<u>5</u>	<input type="button" value="Dele"/>
ARTICLE 3.	<u>TERM AND SERVICE PROVISIONS</u>	<u>11</u>	<input type="button" value="Dele"/>
Section 3.1	<u>Term</u>	<u>11</u>	<input type="button" value="Dele"/>
Section 3.2	<u>Data Reporting</u>	<u>11</u>	<input type="button" value="Dele"/>
ARTICLE 4.	<u>SALE AND PURCHASE</u>	<u>12</u>	<input type="button" value="Dele"/>
Section 4.1	<u>Default Supply Service</u>	<u>12</u>	<input type="button" value="Dele"/>
Section 4.2	<u>NE-GIS Certificates</u>	<u>12</u>	<input type="button" value="Dele"/>
Section 4.3	<u>Locational ICAP</u>	<u>12</u>	<input type="button" value="Dele"/>
ARTICLE 5.	<u>MONTHLY PAYMENT AMOUNT AND BILLING</u>	<u>13</u>	<input type="button" value="Dele"/>
Section 5.1	<u>Monthly Payment Amount</u>	<u>13</u>	<input type="button" value="Dele"/>
Section 5.2	<u>Auction Revenue Rights (ARRs)</u>	<u>13</u>	<input type="button" value="Dele"/>
Section 5.3	<u>Billing and Payment</u>	<u>13</u>	<input type="button" value="Dele"/>
Section 5.4	<u>Taxes, Fees and Levies</u>	<u>14</u>	<input type="button" value="Dele"/>
ARTICLE 6.	<u>DELIVERY, LOSSES AND DETERMINATION AND REPORTING OF HOURLY LOADS</u>	<u>14</u>	<input type="button" value="Dele"/>
Section 6.1	<u>Delivery</u>	<u>14</u>	<input type="button" value="Dele"/>
Section 6.2	<u>Losses</u>	<u>14</u>	<input type="button" value="Dele"/>
Section 6.3	<u>Determination and Reporting of Hourly Loads</u>	<u>15</u>	<input type="button" value="Dele"/>
Section 6.4	<u>NEPOOL Market System</u>	<u>15</u>	<input type="button" value="Dele"/>
Section 6.5	<u>Regulatory Event/ Regulatory Event Payment</u>	<u>15</u>	<input type="button" value="Dele"/>
ARTICLE 7.	<u>SECURITY</u>	<u>16</u>	<input type="button" value="Dele"/>
Section 7.1	<u>Guaranty</u>	<u>16</u>	<input type="button" value="Dele"/>
Section 7.2	<u>Irrevocable Letter of Credit</u>	<u>16</u>	<input type="button" value="Dele"/>
Section 7.3	<u>Additional Assurance</u>	<u>16</u>	<input type="button" value="Dele"/>
Section 7.4	<u>Additional Assurance Amount</u>	<u>17</u>	<input type="button" value="Dele"/>
ARTICLE 8.	<u>DEFAULT AND REMEDIES</u>	<u>17</u>	<input type="button" value="Dele"/>
Section 8.1	<u>Events of Default</u>	<u>17</u>	<input type="button" value="Dele"/>
Section 8.2	<u>Right of Early Termination Upon Event of Default</u>	<u>18</u>	<input type="button" value="Dele"/>
Section 8.3	<u>Remedies Upon an Event of Default: Settlement Amount</u>	<u>18</u>	<input type="button" value="Dele"/>
Section 8.4	<u>Notice of Payment of Settlement Amount</u>	<u>18</u>	<input type="button" value="Dele"/>
Section 8.5	<u>Obligations Following Expiration or Termination</u>	<u>19</u>	<input type="button" value="Dele"/>
ARTICLE 9.	<u>NOTICES, REPRESENTATIVES OF THE PARTIES</u>	<u>19</u>	<input type="button" value="Dele"/>
Section 9.1	<u>Notices</u>	<u>19</u>	<input type="button" value="Dele"/>

Section 9.2	<u>Authority of Representative</u>	20	Dele
ARTICLE 10.	<u>LIABILITY, INDEMNIFICATION, AND RELATIONSHIP OF PARTIES</u>	20	Dele
Section 10.1	<u>Limitation on Consequential, Incidental and Indirect Damages</u>	20	Dele
Section 10.2	<u>Indemnification</u>	20	Dele
Section 10.3	<u>Independent Contractor Status</u>	21	Dele
Section 10.4	<u>Title; Risk of Loss</u>	21	Dele
ARTICLE 11.	<u>ASSIGNMENT</u>	21	Dele
Section 11.1	<u>General Prohibition Against Assignments</u>	21	Dele
Section 11.2	<u>Exceptions to Prohibition Against Assignments</u>	21	Dele
ARTICLE 12.	<u>SUCCESSORS AND ASSIGNS</u>	21	Dele
ARTICLE 13.	<u>WAIVERS</u>	22	Dele
ARTICLE 14.	<u>REGULATION</u>	22	Dele
Section 14.1	<u>Laws and Regulations</u>	22	Dele
Section 14.2	<u>NEPOOL Requirements</u>	22	Dele
Section 14.3	<u>Uniform Disclosure Requirements</u>	22	Dele
Section 14.4	<u>Competitive Affiliates of Supplier</u>	22	Dele
Section 14.5	<u>Sales Tariffs</u>	23	Dele
ARTICLE 15.	<u>INTERPRETATION</u>	23	Dele
ARTICLE 16.	<u>SEVERABILITY</u>	23	Dele
ARTICLE 17.	<u>MODIFICATIONS</u>	23	Dele
ARTICLE 18.	<u>REPRESENTATIONS AND WARRANTIES</u>	23	Dele
ARTICLE 19.	<u>COUNTERPARTS</u>	24	Dele
ARTICLE 20.	<u>HEADINGS; CONSTRUCTION</u>	24	Dele
ARTICLE 21.	<u>CONFIDENTIALITY</u>	24	Dele
ARTICLE 22.	<u>AUDIT</u>	24	Dele
ARTICLE 23.	<u>SURVIVAL</u>	25	Dele
APPENDIX A.	<u>NSTAR LOAD ESTIMATION AND RECONCILIATION</u>	26	Dele

APPENDIX B. CONTRACT RATE..... 28

Dele

APPENDIX C. GUARANTEE AGREEMENT..... 30

Dele

DEFAULT SERVICE POWER SUPPLY AGREEMENT

This **DEFAULT SERVICE POWER SUPPLY AGREEMENT** ("Agreement") is dated as of __, 2004 and is by and among Boston Edison Company ("BECo"), Commonwealth Electric Company ("Commonwealth") and Cambridge Electric Light Company ("Cambridge") (together, "NSTAR Electric") all wholly owned subsidiaries of NSTAR, with a principal place of business at 800 Boylston Street, Boston, MA 02199, and ("Supplier") with a principal place of business at [____]. This Agreement provides for the sale by Supplier of Default Supply Service, as defined herein, to NSTAR Electric.

ARTICLE 1. BASIC UNDERSTANDINGS

Supplier, in response to a Request for Proposal dated April 13, 2004 issued by NSTAR Electric, has been selected to be the supplier of firm, load-following power to meet NSTAR Electric's requirements for Default Supply Service, as defined herein, for:

[____] of the requirements for the period [____] through [____] of the customers of [____] in each Customer Group and Load Zone taking service pursuant to the Default Service Tariff.

This Agreement, together with the Appendices hereto, sets forth the terms under which Supplier will supply Default Supply Service to NSTAR Electric, for a [____] month period beginning on July 1, 2004 and constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreements, written or oral (including without limitation the referenced term sheet), between the Parties concerning such subject matter.

ARTICLE 2. DEFINITIONS

The following words and terms shall be understood to have the following meanings when used in this Agreement, or in any associated documents entered into in conjunction with this Agreement. This Agreement includes certain capitalized terms that are not explicitly defined herein. Such capitalized terms shall have the meanings specified in the NEPOOL Agreement and NEPOOL Rules or such successor agreement and rules including those adopted by the Regional Transmission Organization (RTO), as the same are in effect from time to time, which meanings are incorporated herein by reference and made a part hereof. In the event of any inconsistency between a definition contained herein and a definition contained in either the NEPOOL Agreement or the NEPOOL Rules or such successor agreement and rules, the definition in this Agreement shall control for purposes of this Agreement.

Additional Assurance Amount is defined in Section 7.4.

Business Day – A day ending at 5:00 p.m. Eastern Prevailing Time, other than Saturday, Sunday and any day which is a legal holiday or a day designated as a holiday by the North American Electric Reliability Council or any successor organization thereto; provided, that, with respect to any payment due hereunder, a "Business Day" shall mean a day ending at 5:00 p.m. Eastern Prevailing Time, other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Boston, Massachusetts are authorized by law or other governmental action to close; and, provided, further, that with respect to any report to be delivered pursuant to Section 3.2 or Section 6.3 hereof, a "Business Day" shall be a day other than Saturday, Sunday and any day which is a legal holiday or a day designated as a holiday by the ISO.

Claims – All third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys' fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

Commission – Federal Energy Regulatory Commission.

Commercial Customer Group – BECo's small and medium sized commercial and industrial customers in the following retail rate classes: G-1, G-2, T-1, S-1, S-2 and S-3, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. Cambridge's small and medium sized commercial and industrial customers in the following retail rate classes: G-0, G-1, G-4, G-5, G-6, and S-1, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. Commonwealth's small and medium sized commercial and industrial customers in the following retail rate classes: G-1, G-4, G-5, G-6, G-7, S-1 and S-2, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule.

Confidential Information – Certain terms of this Agreement that the parties agree shall be kept confidential pursuant to Article 21 hereof, and, information regarding individual NSTAR Electric customers. Notwithstanding the foregoing, the following shall not constitute Confidential Information:

- (a) Information which was already in a Party's possession prior to its receipt from the other Party and not subject to a requirement of confidentiality;
- (b) Information which is obtained from a third person who, insofar as is known to the Party, is not prohibited from transmitting the information to the Party by a contractual, legal or fiduciary obligation to the Party; and
- (c) Information which is or becomes publicly available through no fault of the Party.

Contract Rate – The prices set forth on Appendix B hereto to be paid per month per MWh by NSTAR Electric to Supplier for Default Supply Service provided during each month of the Delivery Term with respect to the applicable Customer Group and Load Zone specified thereon.

Customer Group – The Residential Customer Group, the Commercial Customer Group, and/or the Industrial Customer Group, as applicable.

Customers - Those customers that comprise the Customer Group and the Transitional Default Service Customers.

Defaulting Party is defined in Section 8.1.

Default Service Tariff – BECo's Tariff for Default Service, M.D.T.E. No. 103D, Commonwealth's Tariff for Default Service, M.D.T.E. No. 303D, and Cambridge's Tariff for Default Service, M.D.T.E. No. 203D, as they may be amended from time to time and approved by the Department.

Default Supply Service – All Product requirements of each customer within each Customer Group and Load Zone as described below:

[] of the requirements for the period [] of the Default Customers of BECo, Commonwealth and Cambridge in each Customer Group and Load Zone taking service pursuant to the Default Service Tariff, including Transitional Default Service Customers.

As of the date of this Agreement, the Default Supply Service is assigned Load Asset designations (such designations may be supplemented, changed or modified from time to time consistent with the terms of this Agreement) within the ISO Market System as:

Asset ID	Asset Name	Description
1483	DEF_SERVICE_RES_BECO LOAD	Residential Default Service - BECo NEMA
TBD	TRNS_DS_RES_BECO_NEMA LOAD	Transitional Res. Default Service BECo NEMA
1484	DEF_SERVICE_COM_BECO LOAD	Commercial Default Service - BECo NEMA
TBD	TRNS_DS_COM_BECO_NEMA LOAD	Transitional Com. Default Service BECo NEMA
1485	DEF_SERVICE_IND_BECO LOAD	Industrial Default Service - BECo NEMA
8121	DEF_SERVICE_RES_BECO SEMA LOAD	Residential Default Service - BECo SEMA
TBD	TRNS_DS_RES_BECO_SEMA LOAD	Transitional Res. Default Service BECo SEMA
8122	DEF_SERVICE_COM_BECO SEMA LOAD	Commercial Default Service - BECo SEMA
TBD	TRNS_DS_COM_BECO_SEMA LOAD	Transitional Com. Default Service BECo SEMA
8123	DEF_SERVICE_IND_BECO SEMA LOAD	Industrial Default Service - BECo SEMA
1486	DEF_SERVICE_RES_COMM LOAD	Residential Default Service - Commonwealth (SEMA)
TBD	TRNS_DS_RES_COMM LOAD	Transitional Res. Default Service Commonwealth SEMA
1487	DEF_SERVICE_COM_COMM LOAD	Commercial Default Service - Commonwealth (SEMA)
TBD	TRNS_DS_COM_COMM LOAD	Transitional Com. Default Service Commonwealth SEMA
1488	DEF_SERVICE_IND_COMM LOAD	Industrial Default Service - Commonwealth (SEMA)
1489	DEF_SERVICE_RES_CAMBRIDGE LOAD	Residential Default Service - Cambridge (NEMA)
TBD	TRNS_DS_RES_CELC LOAD	Transitional Res. Default Service Cambridge NEMA
1490	DEF_SERVICE_COM_CAMBRIDGE LOAD	Commercial Default Service - Cambridge (NEMA)
TBD	TRNS_DS_COM_CELC LOAD	Transitional Com. Default Service Cambridge NEMA
1491	DEF_SERVICE_IND_CAMBRIDGE LOAD	Industrial Default Service - Cambridge (NEMA)

Delivered Energy – The quantity of Energy, expressed in MWhs, provided by Supplier pursuant to this Agreement measured at the Delivery Points. This quantity shall be the quantity of Energy reported to the ISO by NSTAR Electric and/or its agent for each Load Asset, with such quantity being determined in accordance with Section 6.3 hereof. Such quantity includes transmission and distribution losses on NSTAR Electric's respective systems from the Delivery Point to the meters of each customer in each Customer Group and Load Zone taking service pursuant to the Default Service Tariff. PTF losses calculated by the ISO shall not be included in the calculation of Delivered Energy.

Delivery Points – The point or points on the PTF within the following Load Zones, as appropriate for delivery to each customer in each Customer Group in each Load Zone taking service pursuant to the Default Service Tariff:

Load Zone	Location ID
.Z.SEMASS ("SEMA")	4006
.Z.NEMASSBOST ("NEMA")	4008

If, during the Term of this Agreement, the ISO utilizes the Locational Marginal Prices for the Nodes within each Load Zone rather than the Zonal Prices for each Load Zone for settling energy purchased in the Energy Markets, the points shall be the Node or Nodes, as defined by NEPOOL, appropriate for delivery to each customer in each Customer Group.

Delivery Term – The period beginning at the hour 0001 Eastern Prevailing Time on July 1, 2004 and continuing through and including the hour ending 2400 Eastern Prevailing Time on [_____].

Demanding Party is defined in Section 7.3.

Department – Massachusetts Department of Telecommunications and Energy.

Early Termination Date is defined in Section 8.2.

Estimation Process is defined in Section 6.3.

Existing Default Customers is defined as any customer receiving Default Service on or before February 28, 2005 or any customer who on or before February 28, 2005 elects to receive supply service from a competitive electric supplier and then terminates that supply during the term of this agreement. This classification does not include any customer of record eligible for Standard Offer Service as of February 28, 2005.

Forecast is defined in Section 7.4.

Indemnifying Party is defined in Section 10.2.

Industrial Customer Group – BECo's large commercial and industrial customers in the following retail rate classes: G-3 and T-2, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. Cambridge's large commercial and industrial customers in the following retail rate classes: G-2 and G-3, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. Commonwealth's large commercial and industrial customers in the following retail rate classes: G-2 and G-3, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule.

ISO – The independent system operator established in accordance with the NEPOOL Agreement and the Interim Independent System Operator Agreement as amended, superseded or restated from time to time, or the Regional Transmission Organization

KWh – Kilowatt-hour.

Load Zone – Reliability Regions resulting from implementation of SMD and as defined for use in the ISO-NE Settlement System. The customers of Commonwealth Electric Company are within the Southeastern Massachusetts Load Zone ("Z.SEMASS" or "SEMA") and the customers of Cambridge Electric Light Company are with the Northeastern Massachusetts Load Zone ("Z.NEMASSBOST" or "NEMA"). The customers of Boston Edison Company are within both the NEMA and SEMA Load Zones.

Locational ICAP – any methodology or system, whether implemented in the form of a charge assessed upon, or a product required to be supplied by, an owner of a Load Asset in association with the non-energy locational value of generation resources within the NEPOOL region.

Market Rules and Procedures – The Market Rules, Manuals and Procedures adopted by the ISO and/or members of NEPOOL, as may be amended from time to time, and as administered by the ISO to govern the operation of the NEPOOL markets for Energy, reserves and capability.

Monthly Payment Amount – The total amount payable each calendar month by NSTAR Electric as set forth in Section 5.1.

Moody's – Moody's Investors Service, Inc. and its successors.

MWh – Megawatt-hour.

NE-GIS – The New England Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity consumed within New England.

NE-GIS Certificates – An electronic record produced by the NE-GIS that identifies the relevant generation attributes of each MWh accounted for in the NE-GIS from a new renewable generation unit that complies with the Renewable Energy Portfolio Standards promulgated at 225 CMR 14.00 et seq., or any successor regulation thereto.

NEPOOL - The New England Power Pool and any successor organization including the Regional Transmission Organization.

NEPOOL Agreement – The New England Power Pool Agreement dated as of September 1, 1971, as amended and/or restated from time to time.

NEPOOL Rules – All rules adopted by NEPOOL or the ISO, as such rules may be amended from time to time, including but not limited to, the Market Rules and Procedures, the NEPOOL Operating Procedures, the NEPOOL Agreement and the Interim Independent System Operator Agreement between NEPOOL and the ISO and all notices, Procedures or Administrative Procedures published by the ISO via its web site and/or by its e-mail distribution to appropriate NEPOOL Participants and/or NEPOOL Functional Committees, as amended, superceded or restated from time to time.

Non-Defaulting Party is defined in Section 8.2.

Party(ies) – The applicable NSTAR Electric entity or Supplier or any of them, as the context requires.

Prime Rate – The lesser of (i) the rate published from time to time in the “Money Rates” section of The Wall Street Journal, as the prime-lending rate, and (ii) the maximum rate permitted by applicable law.

Product – All products required to satisfy all requirements to provide Default Supply Service including, without limitation, capacity including but not limited to Installed Capability, Unforced Capacity, Quick-Start Capacity, Locational ICAP (except as provided for under Section 4.3), energy (including but not limited to Energy which satisfies Renewable Energy Portfolio Standards as provided in Article 4, Section 4.2), operating reserves (including but not limited to Ten-Minute Spinning, Ten-Minute Non-Spinning, Thirty Minute Operating Reserves, Replacement Reserves, Forward Reserves, Operating Reserves, etc., if applicable), Regulation (including but not limited to Automatic Generation Control), and Energy Uplift (including but not limited to Energy Uplift, Congestion Cost, Daily RMR Resource expenses

and the variable component of RMR Agreements), emergency energy, GIS administrative charges , and ISO Tariff Schedule Nos. 2 and 3 charges, and any other requirements, products, expenses or charges imposed or assessed by NEPOOL or the ISO (including but not limited to those allocated on the basis of Ownership Shares of Load Assets, Load Obligations and/or Load Obligation Deviations (including but not limited to Real-Time, Day-Ahead, and/or Adjusted)). Supplier shall be responsible for all transmission and distribution losses associated with delivery of Energy from the Delivery Points to the ultimate customers' meters, as more particularly described in Section 6.2.

PTF – Facilities categorized as Pool Transmission Facilities under the NEPOOL Agreement.

RTO - for the purposes of this Agreement the RTO is deemed to be the successor organization to ISO, as authorized by the Commission to exercise for New England the functions pursuant to the Commission's Order 2000 and the Commission's corresponding regulations.

Registration Letter is defined in Section 6.4.

Regulatory Event is defined in Section 6.5.

Regulatory Event Index shall be a calculated index price that is used to determine the Regulatory Event Payment if a Regulatory Event, as defined in Section 6.5, occurs. The Regulatory Event Index is the settlement of the monthly NYMEX Henry Hub Natural Gas futures contract for each month affected by the Regulatory Event multiplied by a market heat rate of _____.

Regulatory Event Payment shall be the amount paid by one Party to the other if a Regulatory Event, as defined in Section 6.5, occurs.

Renewable Energy Portfolio Standards – The regulations (found as of the date of this Agreement at 225 CMR 14.00) promulgated pursuant to M.G.L. c. 25A, § 11F that requires all retail electricity suppliers in Massachusetts to provide a minimum percentage of electricity from certain renewable energy generating resources.

Replacement Price – The price at which the applicable NSTAR Electric entity, acting in a commercially reasonable manner, purchases at the Delivery Points replacement supply for any Default Supply Service not delivered by Supplier in accordance with this Agreement, plus: (i) costs reasonably incurred by such NSTAR Electric entity in purchasing such replacement supply and (ii) additional transmission charges, if any, reasonably incurred by such NSTAR Electric entity to the Delivery Points, if applicable or, absent any such purchase, the market price at the Delivery Points for such Default Supply Service not delivered as determined by such NSTAR Electric entity in a commercially reasonable manner, which may be a market clearing price for such Default Supply Service; provided, however, in no event shall such NSTAR Electric entity be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Supplier's costs.

Replacement Rule is defined in Section 14.2.

Residential Customer Group – BECO's residential customers in the following retail rate classes: R-1, R-2, R-3 and R-4, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. Cambridge's residential customers in the following retail rate classes: R-1, R-2, R-3, R-4, R-5 and R-6, each as in effect as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule. Commonwealth's residential customers in the following retail rate classes: R-1, R-2, R-3, R-4, R-5 and R-6, each as in effect

as of the date hereof and under a successor or new rate schedule, if any, available to customers meeting the eligibility characteristics of the predecessor rate schedule.

RMR Agreement – The form of agreement set forth in the NEPOOL Rules.

RPS Requirement – GIS Certificates representing the number of MWhs calculated as the product of (a) Delivered Energy (grossed up for PTF losses) to the applicable Customer Group and Load Zone during the Delivery Term, and either (b) 0.015, rounded up to the whole MWh for the period July 1, 2004 through December 31, 2004 or (c) 0.02, rounded up to the whole MWh for the period January 1, 2005 through June 30, 2005

S&P – Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) and its successors.

SMD – The implementation in NEPOOL of a congestion management and multi-settlement system within structured markets, currently known as Standard Market Design, as set forth in NEPOOL Rules, and the NEPOOL Agreement, all as amended from time to time.

Supplier Guarantor – [], its successors and permitted assigns under a guaranty delivered to NSTAR Electric in accordance with Section 7.1.

Term is defined in Section 3.1.

Transitional Default Service – Default Supply Service supplied to customers beginning March 1, 2005 who were, as of February 28, 2005, eligible for Standard Offer Service. This service is supplied to retail customers under the Default Service Tariffs.

ARTICLE 3. TERM AND SERVICE PROVISIONS

Section 3.1 Term

The term (the "Term") of this Agreement shall begin as of the date hereof and extend through and including the end of the Delivery Term, unless this Agreement is sooner terminated in accordance with the provisions hereof. The applicable provisions of this Agreement shall continue in effect in accordance with Section 23 and to the extent necessary to provide for final accounting, final billing, billing adjustments, resolution of any billing disputes, settlement of obligations related to Renewable Energy Portfolio Standards, realization of any collateral or other security, set-off, final payments, payments pertaining to liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect, or other such provisions that by their terms or operation, survive the termination of this Agreement.

Section 3.2 Data Reporting

By 1:00 p.m. Eastern Prevailing Time of the second following Business Day after each day during the Delivery Term, NSTAR Electric and other applicable reporting entities will report to the ISO, all of NSTAR Electric's Load Assets and each applicable NSTAR Electric entity will report to Supplier its estimated hourly load responsibility for the Default Supply Service. Upon request by NSTAR Electric, Supplier shall provide NSTAR Electric with any and all ISO-generated reports and/or other data received by Supplier. Such information shall be provided electronically and at substantially the same frequency as received from the ISO. Each NSTAR Electric entity shall use reasonable efforts to notify Supplier of aggregate changes in Default Service load, as soon as practical, prior to any customer(s) commencing or ceasing to take Default Supply Service from such NSTAR Electric entity, in the event that such

commencement or cessation will likely cause the number of MWs supplied by Supplier hereunder as Default Supply Service to be increased or decreased by 10 MWs or more.

ARTICLE 4. SALE AND PURCHASE

Section 4.1 Default Supply Service

Supplier shall sell and deliver to the Delivery Points and NSTAR Electric shall purchase Default Supply Service during the Delivery Term in accordance with this Agreement. Supplier understands that the Default Supply Service load requirements may change from time to time. In addition to the foregoing and except to the extent of the occurrence of a Regulatory Event, Supplier further understands and agrees to provide Default Supply Service to Transitional Default Supply Service Customers. Supplier's obligation to supply Default Supply Service requires Supplier to meet the hourly, daily and seasonal electricity load fluctuations associated with customer demand changes. Supplier will be responsible for forecasting its Default Supply Service load obligations on an hourly, daily, and monthly basis. Supplier is responsible for Default Supply Service regardless of changes in customer demand for any reason, including, but not limited to, daily load fluctuations, increased or decreased usage, demand-side management activities, extreme weather and similar events. Supplier's obligation hereunder to sell and provide the Default Supply Service shall not be conditioned upon the availability of any particular electric generating facilities, transmission facilities outside the PTF or power supply arrangements, whether owned by Supplier or third parties.

Section 4.2 NE-GIS Certificates

(a) Supplier agrees to provide NSTAR Electric with NE-GIS Certificates that qualify and meet the Renewable Energy Portfolio Standards in the amount of the RPS Requirement. Accordingly, within NE-GIS, Supplier will transfer and NSTAR Electric will accept NE-GIS Certificates to meet RPS Requirements and load obligation commensurate with the Default Supply Service provided.

(b) If Supplier has not transferred all or part of the NE-GIS Certificates required pursuant to clause (a) above (a "Shortfall") to the applicable certificate accounts of the NSTAR Electric entities by the close of the last trading period for NE-GIS Certificates applicable to Default Supply Service, Supplier agrees to pay NSTAR Electric an amount equal to the product of (i) the number of MWhs which constitute the Shortfall, and (ii) the default payment amount (determined on a MWh basis) set forth in the Renewable Energy Portfolio Standards

(c) If Supplier has transferred more NE-GIS Certificates than required pursuant to clause (a) above to the NE-GIS accounts of NSTAR Electric as of [____], NSTAR Electric agrees to transfer to Supplier or Supplier's NE-GIS certificate account, as applicable and as soon as practicable thereafter, such excess amount of NE-GIS Certificates

Section 4.3 Locational ICAP

The Contract Rate includes the capacity obligations associated with the Load Assets for the Default Supply Service based on the NEPOOL Rules in effect as of the date hereof, but excludes the effects of Locational ICAP on such capacity obligation. If ISO implements a system involving Locational ICAP during the Delivery Term (including without limitation ISO requiring that Supplier furnish UCAP from generation resources located within the applicable Load Zone associated with the Load Assets for the Default Supply Service to satisfy a portion of the UCAP obligation associated with such Load Assets),

Supplier shall be responsible for providing the full amount of UCAP associated with the Default Supply Service, and NSTAR Electric shall fully reimburse Supplier for the actual, documented costs of UCAP procured as a result of Locational ICAP requirements, less a credit of \$[]/MW-Month (i.e., the assumed imbedded cost for UCAP within the Contract Rate) for such location-based UCAP. For purposes of determining Supplier's actual costs, Supplier shall be entitled to purchase UCAP to satisfy the location-based UCAP associated with the Load Assets for the Default Supply Service in one or more auction and/or bilateral transactions, in which case the cost of each such transaction shall be reimbursed in accordance with this Section 4.3. In the alternative NSTAR Electric may elect at its sole discretion to procure UCAP to satisfy Locational ICAP requirements associated with the Load Assets for the Default Supply Service and provide said UCAP to Supplier in exchange for a monthly refund in an amount equal to the amount of location-based UCAP (in MW's) so supplied (up to such requirement for such Load Assets) multiplied by \$[]/MW-Month (i.e., the imbedded cost referenced above); provided that (a) NSTAR Electric provides at least fifteen (15) days' prior notice of such election; (b) NSTAR Electric may exercise such election only with respect to those periods of the Delivery Term for which Supplier has not procured such UCAP before NSTAR Electric makes such election; and (c) by making such election, unless otherwise agreed by Supplier, NSTAR Electric shall be responsible for supplying the entire amount of such location-based UCAP for the remainder of the Delivery Term (to the extent not so previously procured by Supplier).

ARTICLE 5. MONTHLY PAYMENT AMOUNT AND BILLING

Section 5.1 Monthly Payment Amount

The Monthly Payment Amount payable by NSTAR Electric to Supplier in respect of each month during the Delivery Term shall be the sum of the product of: (a) the total Delivered Energy to each Customer Group in each Load Zone during such month, and (b) the Contract Rate applicable to such Customer Group in each Load Zone for such month.

Section 5.2 Auction Revenue Rights (ARRs)

It is the intent of the Parties that for each FTR Auction conducted by the ISO for month(s) wholly or partially within the Delivery Term, those ARR's associated only with NSTAR Electric's Default Supply Service shall be assigned or paid to Supplier. Provided, however, no NSTAR Electric entity shall be under any obligation to participate in any manner in any FTR Auction(s) in order to increase Auction Revenue Right quantities.

Section 5.3 Billing and Payment

(a) On or before the tenth (10th) day of each month during the Term of this Agreement, Supplier shall calculate the amount due and payable to Supplier pursuant to this Article 5 with respect to the immediately preceding month, and shall forward to NSTAR Electric an invoice, including such calculation, with sufficient detail for NSTAR Electric to verify the calculation and the total amount due and payable for the previous month. Because quantities determined under Section 6.3 are estimated, and subject to the reconciliation process described in Section 6.3(c), quantities used in calculations under this paragraph (a) shall be subject to adjustment, whether positive or negative, in subsequent invoices by application of the applicable Contract Rate to any such adjusted quantities. In the calculation referenced herein, Supplier agrees to utilize the load responsibility information provided by NSTAR Electric to the ISO, a copy of which shall be provided to Supplier.

(b) NSTAR Electric shall pay Supplier any amounts due and payable hereunder on or before the twentieth (20th) day after receipt of such invoice. All invoices shall be paid by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the payee thereof. If all or any part of any amount due and payable pursuant to paragraph (a) shall remain unpaid thereafter, interest shall thereafter accrue and be payable to Supplier on such unpaid amount at a rate per annum equal to the Prime Rate per annum in effect as of the date of such invoice; provided, however, that no interest shall accrue in respect of adjustment amounts calculated in accordance with Section 6.3(c).

(c) If a Party, in good faith, disputes an invoice, the disputing Party shall immediately notify the other Party of the basis for the dispute and pay the undisputed portion of such invoice no later than the due date. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Prime Rate per annum from and including the due date to but excluding the date paid. Any overpayments shall be returned by the receiving Party upon request or deducted by the receiving Party from subsequent payments with interest accrued at the Prime Rate until the date paid or deducted from and including the date of such overpayment to (but excluding) the date repaid or deducted by the Party receiving such overpayment.

Section 5.4 Taxes, Fees and Levies

Supplier shall be obligated to pay all present and future taxes, fees and levies, imposed on or associated with delivery of the Default Supply Service up to the Delivery Points. The NSTAR Electric entities shall be obligated to pay all present and future taxes, fees and levies, imposed on or associated with such Default Supply Service at and from the Delivery Points. NSTAR Electric shall provide Supplier with any certificate reasonably required by Supplier to evidence such sales for resale. NSTAR Electric shall have the right to all credits, deductions and other benefits associated with taxes paid by NSTAR Electric or reimbursed to Supplier by NSTAR Electric as described herein.

ARTICLE 6. DELIVERY, LOSSES AND DETERMINATION AND REPORTING OF HOURLY LOADS

Section 6.1 Delivery

(a) The Energy component of Default Supply Service shall be delivered to NSTAR Electric in the form of three-phase sixty-hertz alternating current at the Delivery Points. Supplier shall be responsible for all transmission and distribution costs associated with the use of transmission systems outside of NEPOOL and any local point-to-point charges and distribution charges needed to deliver the power to the Delivery Points. Supplier and NSTAR Electric shall enter into, and file with the ISO, all necessary load asset documents described in Section 6.4.

(b) Each NSTAR Electric entity will make arrangements for the transmission and distribution services necessary to deliver at NSTAR Electric's expense the Default Supply Service from the Delivery Point to each Customer Group and Load Zone, including NEPOOL Regional Network Service, which provides for transmission over PTF, and local network service from any applicable local transmission provider(s), which provides for transmission over non-PTF.

Section 6.2 Losses

Supplier shall be responsible for all transmission and distribution losses associated with the delivery of the electricity component of Default Supply Service to the meters of NSTAR Electric's ultimate customers taking service pursuant to the Default Service Tariff. Supplier shall provide NSTAR Electric at the Delivery Points with additional quantities of electricity and ancillary services to cover such losses from

the Delivery Points to the meters of retail customers; the Monthly Payment Amount payable by the NSTAR Electric entities shall be calculated with reference to the quantity of Delivered Energy measured at the Delivery Points. The quantities required for this purpose in each hour of each month during the Delivery Term period shall be determined in accordance with the Estimation Process and NEPOOL's and NSTAR Electric's procedures for loss determination.

Section 6.3 Determination and Reporting of Hourly Loads

(a) NSTAR Electric or its agent will estimate the total hourly load responsibility for the Default Supply Service provided by Supplier pursuant to this Agreement for each Customer Group in each Load Zone based upon average load profiles developed for each such Customer Group and each NSTAR Electric entity's actual total hourly load. Exhibit A, NSTAR Load Estimation and Reconciliation, attached and incorporated herein by reference, provides a general description of the estimation process that each NSTAR Electric entity or its agent will initially employ (the "Estimation Process"). NSTAR Electric reserves the right to modify the Estimation Process in the future, provided that any such modification shall be designed to enhance the Estimation Process.

(b) NSTAR Electric or its agent will report to the ISO and to Supplier, Supplier's hourly load responsibility for each Load Asset. NSTAR Electric or its agent shall report to the ISO and to Supplier, Supplier's hourly-adjusted Default Supply Service loads by 1:00 p.m. Eastern Prevailing Time of the second following Business Day after each day during the Delivery Term.

(c) To refine the estimates of Supplier's monthly load developed by the Estimation Process, NSTAR Electric shall reconcile the original estimate of Supplier's loads to actual customer usage based on meter reads. Appendix A, attached and incorporated herein by reference, also provides a general description of this reconciliation process.

Section 6.4 NEPOOL Market System

Supplier represents and warrants that it is a NEPOOL member and agrees to remain a NEPOOL member throughout the Term. As soon as possible prior to the start of the Delivery Term, and as required throughout the Delivery Term, each NSTAR Electric entity shall complete an Asset Registration Letter, as described in NEPOOL Manual 28 Section 12, for Electrical Load and Installed Capability for Load Assets ("Registration Letter") and forward to the ISO to be entered into the NEPOOL Market System. In the Registration Letter each NSTAR Electric entity shall assign applicable Load Asset Ownership Shares for all of its Load Assets listed in the Default Supply Service to Supplier for the Delivery Term. Each NSTAR Electric entity and Supplier further agree to promptly deliver to each other copies of all correspondence with the ISO or NEPOOL related to this Agreement, and/or the Default Supply Service provided hereunder.

Section 6.5 Regulatory Event/ Regulatory Event Payment

The Parties acknowledge and agree that under Massachusetts General Laws ("MGL") as they exist on the date of this Agreement, and the tariff provisions in accordance therewith, customers who currently receive Standard Offer Service Customers are to receive NSTAR Electric Default Service starting March 1, 2005, except to the extent such customers elect to receive service from a competitive supplier. If subsequent to the date of this Agreement the MGL is amended or otherwise altered through legislative action or regulatory mandated action, or if an order of a court is issued, or regulatory action to effectuate the foregoing legislative action or court order is taken, with the result that certain or all Customers are required to receive electric service from (i) a competitive supplier other than as a result of such Customer's own election, or (ii) NSTAR Electric on a tariff other than the Default Service Tariff (either (i) or (ii), an "Event"), the Regulatory Event Payment shall be made or credited as described below.

If there is an Regulatory Event, the Regulatory Event Payment shall be calculated by NSTAR Electric as soon as practicable following the Regulatory Event, and shall be calculated for each month of the Regulatory Event as the product of (a) the difference between (i) the forecasted amount of Delivered Energy under this Agreement had such Regulatory Event not occurred, said forecast being the forecast for Delivered Energy as filed with the Department by NSTAR Electric for the purpose of setting the Default Service Rates, and (ii) the adjusted forecast for service prepared and filed with the Department by NSTAR Electric reflecting the effects of the Event; and (b) the Index Change which shall be the difference between (iii) the Regulatory Event Index for the effected month as calculated based on NYMEX settlement prices on the execution date of this agreement and (iv) the Regulatory Event Index for the effected month as calculated based on NYMEX settlement prices on the date of the Regulatory Event.

NSTAR Electric shall provide to the Supplier a written statement showing in reasonable detail the calculation and a summary of the method used to determine such amounts. The Supplier may challenge the Event Payment or the calculation thereof within fourteen (14) Calendar Days of receipt of such calculation. Supplier shall provide additional documentation in support of its alternative calculation upon the reasonable request of the NSTAR Electric. If the Event Payment is a positive amount, NSTAR Electric shall pay the Event Payment, with its payment next due in accordance with the Agreement, less any amounts disputed. If the Event Payment is a negative amount, the Supplier shall, at the election of NSTAR Electric, either: (i) deduct the Event Payment amount from any amounts due from NSTAR Electric under the Agreement, or (ii) pay the Event Payment to NSTAR Electric within 20 days of receiving the calculation of the Event Payment. The Event Payment shall not be subject to true up or reconciliation, including true up to actual quantities delivered to customers that were Standard Offer Service Customers on February 28, 2005, or actual market prices.

ARTICLE 7. SECURITY

Section 7.1 Guaranty

In order to secure performance by Supplier in accordance with this Agreement, Supplier shall provide NSTAR Electric, upon the execution of this Agreement, a written performance guarantee, in the form attached hereto as Appendix C, properly executed by Supplier Guarantor.

Section 7.2 Irrevocable Letter of Credit

As additional security for performance by Supplier in accordance with this Agreement, Supplier shall provide NSTAR Electric, within 10 business days from the execution of this agreement, an irrevocable letter of credit or other security instrument in a form acceptable to NSTAR Electric and that (i) is in the amount of [_____] Million United States Dollars (\$___), (ii) is issued by a major U.S. commercial bank or the U.S. branch office of a major foreign bank assigned, in either case, whose senior unsecured debt obligations have been rated at least (A) "A-" by S&P and "A3" by Moody's, if such entity is rated by both S&P and Moody's or (B) "A-" by S&P or "A3" by Moody's, if such entity is rated by either S&P or Moody's but not both ("Qualified Bank"), and (iii) which will allow NSTAR Electric to draw on the letter of credit in an amount equal to the Settlement Amount upon the designation of an Early Termination Date. Supplier shall at all times during the Delivery Term maintain, for the benefit of NSTAR Electric, a letter of credit or other security instrument, which complies with the requirements set forth in this Section 7.2.

Section 7.3 Additional Assurance

If at any time during the Term of this Agreement, the credit rating assigned to the senior unsecured debt obligations of Supplier Guarantor falls below "BBB-" (as assigned by S&P) or its equivalent from

Moody's (the "Trigger Event"), Supplier (the "Triggering Entity") shall provide credit support to the applicable NSTAR Electric entity (the "Demanding Party"), within three (3) Business Days after the Demanding Party's written request therefor, in any of the following forms, in an amount equal to the Additional Assurance Amount calculated by the Demanding Party pursuant to Section 7.4 of this Agreement (less the available undrawn amount of any letter of credit or other security instrument provided in accordance with Section 7.2 of this Agreement and less the amount of any such additional assurance previously provided in accordance with this Section 7.3 and then held by such Demanding Party) determined as of the date of the Trigger Event: (i) a letter of credit issued by a major U.S. commercial bank or the U.S. branch office of a major foreign bank assigned, in either case, whose senior unsecured debt obligations have been rated at least (A) "A-" by S&P and "A3" by Moody's, if such entity is rated by both S&P and Moody's or (B) "A-" by S&P or "A3" by Moody's, if such entity is rated by either S&P or Moody's but not both, and which will allow the Demanding Party to draw on the letter of credit in the full amount of the Additional Assurance Amount (as defined in Section 7.4) upon the occurrence of an Event of Default; or (ii) such other credit support proposed by the Triggering Party that is reasonably acceptable to the Demanding Party.

Section 7.4 Additional Assurance Amount

For purposes of this Article 7, the "Additional Assurance Amount" shall be an amount equal to the positive difference, if any, between the (a) replacement value of this Agreement, calculated with reference to the Replacement Price and the Forecast, and (b) the contract value of this Agreement calculated with reference to the Contract Rate and the Forecast (the "Contract Value"). For purposes of determining the Settlement Amount pursuant to this Section 7.4, the quantity of Energy to be delivered in respect of Default Supply Service shall be based upon a forecast for the balance of the Delivery Term by the Demanding Party in good faith and in a commercially reasonable manner (the "Forecast").

ARTICLE 8. DEFAULT AND REMEDIES

Section 8.1 Events of Default

Any one or more of the following shall constitute an "Event of Default" hereunder with respect to any NSTAR Electric entities, the Supplier or the Supplier Guarantor (the "Defaulting Party"):

- (a) The failure to make, when due, any undisputed payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
- (b) Any representation or warranty made by such Defaulting Party herein, or, with respect to Supplier, by Supplier Guarantor in the Guaranty, is false or misleading in any material respect when made or when deemed made or repeated;
- (c) With respect to Supplier, the failure to satisfy any material obligation, including but not limited to failure to provide Products, failure to satisfy any obligation under the NEPOOL Agreement, the NEPOOL Tariff, the Market Rules and associated Manuals, or ISO-NE Administrative Procedures, failure to satisfy any ISO or NEPOOL financial assurance policies or failure to remain a member of NEPOOL throughout the Delivery term, or the failure to satisfy any obligation with respect to the ISO or NEPOOL that affects the Supplier's right or ability to engage in transactions at the ISO;
- (d) The failure to provide or maintain the Guaranty or the Additional Assurance required pursuant to Article 7 of this Agreement;

(e) The failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default as specified above) or, with respect to Supplier, by Supplier Guarantor in the Guaranty if such failure is not remedied within three (3) Business Days after written notice; or

(f) Such entity or, with respect to Supplier, Supplier Guarantor: (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

Section 8.2 Right of Early Termination Upon Event of Default

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the aggrieved Party (the "Non-Defaulting Party") shall have the right to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date ("Early Termination Date"). The amount payable in respect of an Event of Default and any Early Termination of this Agreement shall be determined pursuant to Section 8.3.

Section 8.3 Remedies Upon an Event of Default; Settlement Amount

(a) Upon the occurrence of an Event of Default, the Non-Defaulting Party shall calculate a Settlement Amount. The "Settlement Amount" shall be an amount equal to the "Additional Assurance Amount" calculated by the Non-Defaulting Party in accordance with Section 7.4 hereof plus, without duplication, its total losses and costs in connection with such default, including losses and costs associated with an early termination of this Agreement pursuant to Section 8.2, any loss of bargain, cost of funding or, at the election of such Non-Defaulting Party but without duplication and consistent with such Non-Defaulting Party's obligation to mitigate such losses and costs, loss or cost (including employee and consultant costs and reasonable attorneys' fees) incurred as a result of its obtaining, terminating, establishing or reestablishing any hedge in connection with such transactions or replacement of such transactions, and any losses and costs in respect of performance (or failure to perform) under the Agreement on or before the time of such termination. For purposes of determining the Settlement Amount pursuant to this Section 8.3(a), the applicable quantity of Default Supply Service shall be based upon the Forecast and the Defaulting Party shall be deemed to be the "Triggering Party". The Non-Defaulting Party shall also have the right to pursue specific performance with respect to an Event of Default.

(b) The Non-Defaulting Party shall be entitled to accelerate all amounts owing by the Defaulting Party under this Agreement (whether or not then due) and shall be entitled to withhold and set off any amounts owed by the Non-Defaulting Party to the Defaulting Party against any such accelerated payments and any other amounts owed by the Defaulting Party to the Non-Defaulting Party, including any Settlement Amount payable as a result of any early termination of this Agreement.

Section 8.4 Notice of Payment of Settlement Amount

As soon as practicable after an Early Termination Date, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Settlement Amount. The notice shall include a written statement explaining in reasonable detail the calculation of such amount and shall indicate the underlying assumptions, quotations, prices and forecasts, used to calculate the same. The Settlement Amount shall be paid by the Party owing such amount within two (2) Business Days after such notice. If

the Defaulting Party disagrees with the calculation of the Settlement Amount, the undisputed portion of such amount shall be paid and the Defaulting Party shall have the right to dispute the same through applicable legal recourse.

Section 8.5 Obligations Following Expiration or Termination

Upon the termination or expiration of this Agreement, in addition to such rights and obligations enumerated elsewhere in this Agreement, the grant of any and all right and interest to Supplier to supply the Default Supply Service shall cease, and NSTAR Electric and Supplier shall immediately make all necessary filings with NEPOOL and the ISO and perform all other acts necessary to transfer all such rights and interests back to NSTAR Electric.

ARTICLE 9. NOTICES, REPRESENTATIVES OF THE PARTIES

Section 9.1 Notices

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. Such notice shall be sent by facsimile or electronic messaging (confirmed by telephone), courier, personally delivered or mailed, postage prepaid, to the representative of the other Party designated in this Article 9. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile or electronic messaging, (ii) when actually received if delivered by courier, overnight mail or personal delivery, or (iii) three (3) days after deposit in the United States mail, if sent by first class mail.

Notices and other communications by Supplier to NSTAR Electric shall be addressed to:

Mr. Robert H. Martin
Director, Electric & Gas Contract Administration
NSTAR Electric & Gas Corporation
One NSTAR Way NE220
Westwood, MA 02090
(781) 441-8058
(781) 441-8053 (fax)

With a copy to:

NSTAR Electric & Gas Corporation
800 Boylston Street
Boston, MA 02199
Attention: Timothy Cronin
(617) 424-2104
(617) 424-2733 (fax)

Notices and other communications by NSTAR Electric to Supplier shall be addressed to:

[Name]
[Company]
[Address]
[City, State and Zip]
[Phone]
[Fax]

With a copy to:

Any Party may change its representative by written notice to the other Parties.

Section 9.2 Authority of Representative

The Parties' representatives designated in Section 9.1 shall have full authority to act for their respective principals in all technical matters relating to the performance of this Agreement. The Parties' representatives shall not, however, have the authority to amend, modify, or waive any provision of this Agreement unless they are authorized officers of their respective entities and such amendment, modification or waiver is made pursuant to Article 17.

ARTICLE 10. LIABILITY, INDEMNIFICATION, AND RELATIONSHIP OF PARTIES

Section 10.1 Limitation on Consequential, Incidental and Indirect Damages

TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER NSTAR ELECTRIC NOR SUPPLIER, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENT OR AFFILIATES, SUCCESSOR OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR ITS PARENT, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, UNDER ANY INDEMNITY PROVISION OR ANY OTHER THEORY OF RECOVERY. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, UNLESS OTHERWISE SPECIFIED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. THE PROVISIONS OF THIS SECTION 10.1 SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

Section 10.2 Indemnification

(a) Each Party shall indemnify, defend and hold harmless the other Party from and against any Claims arising from or out of any event, circumstance, act or incident occurring or existing during the period when control and title to Product is vested in such Party as provided in Section 10.4.

(b) If any Party intends to seek indemnification under this Section 10.2 from the other Party with respect to any Claim, the Party seeking indemnification shall give the other Party notice of such Claim within fifteen (15) days of the commencement of, or actual knowledge of, such Claim. Such Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such Claim. The Party seeking indemnification shall not compromise or settle any such Claim without the prior consent of the other Party, which consent shall not be unreasonably withheld.

(c) Notwithstanding any provision to the contrary herein, the Parties agree that Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company shall not be jointly and severally liable for the obligations hereunder.

Section 10.3 Independent Contractor Status

Nothing in this Agreement shall be construed as creating any relationship between NSTAR Electric and Supplier other than that of Supplier as independent contractors for the sale of Default Supply Service, and NSTAR Electric as principal and purchaser of such Service. Neither Party shall be deemed to be the agent of the other Party for any purpose by reason of this Agreement, and no partnership or joint venture or fiduciary relationship between the Parties is intended to be created hereby.

Section 10.4 Title; Risk of Loss

Title to and risk of loss related to the Default Supply Service shall transfer from Supplier to the applicable NSTAR Electric entity at the Delivery Point. Supplier warrants that it will deliver to NSTAR Electric the Default Supply Service free and clear of all Claims or any interest therein or thereto by any person or entity arising prior to the Delivery Point.

ARTICLE 11. ASSIGNMENT

Section 11.1 General Prohibition Against Assignments

Except as provided in Section 11.2 below, neither Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

Section 11.2 Exceptions to Prohibition Against Assignments

Either Party may, without the other Party's prior written consent, (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, provided that such Party shall not be relieved of any obligation hereunder; or (ii) transfer or assign this agreement to any person or entity succeeding by merger or by acquisition of all or substantially all of the assets of the assigning Party (provided such person or entity shall have a net worth and creditworthiness equal to or higher than that of such assigning Party); provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof.

ARTICLE 12. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective permitted successors and assigns.

ARTICLE 13. WAIVERS

The failure of either Party to insist in any one or more instance upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights under this Agreement shall not be construed as a general waiver of any such provision or the relinquishment of any such right, except to the extent such waiver is in writing and signed by an authorized representative of such Party.

ARTICLE 14. REGULATION

Section 14.1 Laws and Regulations

Each Party shall perform its obligations hereunder in accordance with applicable law, rules and regulations. The rates, charges, terms and conditions contained in this Agreement are not subject to change under Sections 205 or 206 of the Federal Power Act, as either section may be amended or superseded, absent the mutual written agreement of the Parties. It is the intent of this Section that, to the maximum extent permitted by law, the rates, charges, terms and conditions of this Agreement shall not be subject to such change.

Section 14.2 NEPOOL Requirements

This Agreement must comply with all NEPOOL Rules. If, during the Term, the NEPOOL Rules are terminated or amended in a manner that would eliminate or materially alter a NEPOOL Rule affecting a material right or obligation of a Party hereunder, or if such a NEPOOL Rule is eliminated or materially altered by NEPOOL or the ISO, the Parties agree to negotiate in good faith in an attempt to amend this Agreement to incorporate a replacement rule ("Replacement Rule"). The intent of the Parties is that any such Replacement Rule reflect, as closely as possible, the intent, substance and effect of the NEPOOL Rule being replaced as such NEPOOL Rule was in effect prior to such termination or amendment of the NEPOOL Rule(s) or elimination or alteration of the NEPOOL Rule(s), and that the adoption of any Replacement Rule shall not alter (i) the obligations of the Parties pursuant to Article 4 or 5 of this Agreement, or (ii) the Contract Rate. The Parties agree to negotiate in good faith to restore this Agreement to embody the Parties' original intent and economic effect.

Section 14.3 Uniform Disclosure Requirements

On a calendar quarterly basis, Supplier shall provide NSTAR Electric information pertaining to power plant emissions, fuel types, labor information and any other information to the extent required by NSTAR Electric to comply with the uniform disclosure requirements contained in 220 CMR 11.00 and any other such disclosure regulations which may be imposed upon NSTAR Electric during the Term, as such disclosure requirements apply to Default Supply Service provided by Supplier pursuant to this Agreement.

Section 14.4 Competitive Affiliates of Supplier

If a Competitive Affiliate of Supplier exists during the Term, Supplier shall not disclose any information received from NSTAR Electric regarding the service provided hereunder, the customers served under this Agreement, nor shall Supplier assign any interest hereunder, to any such Competitive Affiliate.

The term "Competitive Affiliate" shall be as defined in 220 C.M.R 12, and shall refer to an entity that is engaged in the sale of electricity to customers in Massachusetts.

Section 14.5 Sales Tariffs

Each party agrees that if it seeks to amend any applicable power sales tariff during the Term, such amendment will not in any way affect this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement.

ARTICLE 15. INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the Commonwealth of Massachusetts, without giving effect to its conflict of laws provisions.

ARTICLE 16. SEVERABILITY

If any provision or provisions of this Agreement shall be held invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby; and the Parties hereby agree to effect such modifications to this Agreement as shall be reasonably necessary in order to give effect to the original intention of the Parties.

ARTICLE 17. MODIFICATIONS

No modification to this Agreement will be binding on any Party unless it is in writing and signed by all Parties.

ARTICLE 18. REPRESENTATIONS AND WARRANTIES

Supplier and each NSTAR Electric entity represents and warrants to the other that:

- (a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) It has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (c) The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (d) This Agreement, and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any equitable defenses;
- (e) It is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it, which would result in it being or becoming bankrupt; and
- (f) There is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement.

ARTICLE 19. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

ARTICLE 20. HEADINGS; CONSTRUCTION

Article and Section headings used throughout this Agreement are for the convenience of the Parties only and are not to be construed as part of this Agreement. For purposes of this Agreement, the term "including" shall mean "including, without limitation" and the terms "herein", "hereunder", "herewith" and "hereof" are references to this Agreement, taken as a whole. The Parties acknowledge that this Agreement is the result of joint discussion and negotiation. Each Party contributed to the substantive provisions hereof and no Party can be identified as the sole drafter hereof.

ARTICLE 21. CONFIDENTIALITY

All Confidential Information shall be held and treated by the Parties and their agents in confidence, used solely in connection with this Agreement, and shall not, except as hereinafter provided, be disclosed without the other Party's prior written consent. Notwithstanding the foregoing, this Agreement may be disclosed to a third party (a) for the purpose of effectuating the supply, transmission and/or distribution of Energy or any other product or service to be delivered pursuant to this Agreement, (b) to regulatory authorities of competent jurisdiction, or as otherwise required by applicable law, regulation or order, and (c) to third parties in connection with a merger, acquisition/disposition and financing transactions, or audit, provided that any such third party shall have signed a confidentiality agreement with the disclosing party containing customary terms and conditions that protect against the disclosure of the Confidential Information, that strictly limit the recipient's use of such information only for the purpose of the subject transaction and that provide for remedies for non-compliance. In the event that either Party ("Disclosing Party") is requested or required to disclose any Confidential Information pursuant to subsections (a) and (b) above, the Disclosing Party shall provide the other Party with prompt written notice of any such request or requirement, so that the other Party may seek an appropriate protective order, other confidentiality arrangement or waive compliance with the provisions of this Agreement. If, failing the entry of a protective order, other confidentiality arrangement or the receipt of a waiver hereunder, the Disclosing Party, in the opinion of counsel, is compelled to disclose Confidential Information, the Disclosing Party may disclose that portion of the Confidential Information which the Disclosing Party's counsel advises that the Disclosing Party is compelled to disclose; provided, that any such disclosure includes a request for confidential treatment of this Agreement and the request for redaction of the Confidential Information from the copies of this Agreement which are placed in the public record or otherwise made available. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. In addition, to the foregoing, the disclosing Party shall indemnify, defend and hold harmless the other Party from and against any Claims, threatened or filed, and any losses, damages, expenses, attorneys' fees or court costs incurred by such Party in connection with or arising directly or indirectly from or out of the disclosing Party's disclosure of the Confidential Information to third parties except as permitted by subsection (c) above.

ARTICLE 22. AUDIT

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If requested, a Party shall provide to the other Party statements evidencing the quantities of Energy delivered at the Delivery Points. If any such examination

reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid.

ARTICLE 23. SURVIVAL

The provisions of Article 5, Sections 3.2, 8.3, 8.4, Article 10, Section 14.4, and Articles 21, 22 and 24 hereof, and to the extent any Section of this Agreement specifies by its terms that it survives termination, such Section shall survive the termination or expiration of this Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on their behalf as of the date first above written.

BOSTON EDISON COMPANY

By: _____
Name: _____
Title: _____

CAMBRIDGE ELECTRIC LIGHT COMPANY

By: _____
Name: _____
Title: _____

COMMONWEALTH ELECTRIC COMPANY

By: _____
Name: _____
Title: _____

APPENDIX A. NSTAR LOAD ESTIMATION AND RECONCILIATION

1. General Description

Each business day, NSTAR calculates its territory loads for every hour of the previous day(s) using actual hourly generation and interchange metered values. The territory loads are defined as the total customer load plus non-PTF transmission and distribution losses for the Load Zones within each service territory (Boston Edison NEMA, Boston Edison SEMA, Commonwealth (SEMA) & Cambridge (NEMA)). The territory loads are then input to the Load Estimation process.

Load Estimation at NSTAR ELECTRIC is billing account based. For each active account for the day to be estimated, a daily billing load is developed. This is accomplished in one of two ways. First, if the account has been billed, the latest bill information (account, number of billing days, total kWh, supplier ID) is used to compute a daily average use (total kWh/number of billing days). Second, if the account is active but has not been billed (new account), a daily rate average is used. The daily rate average is based on the past 24 months billing for all customers by rate.

The billing file used in this process is a SAS dataset created each day upon the completion of nightly cycle billing through the Customer Information System ("CIS"). This SAS dataset combines three of the NSTAR Electric' four billing systems, computer billed accounts, time-of-use billed accounts, and special ledger accounts, into one file. A fourth billing system, municipal lighting, is incorporated by the load estimation process. The SAS dataset and municipal lighting files include the Load Zone assignment for each account.

Once daily billing loads are developed using the CIS data, line losses are added to each account. The losses are by rate code and are based on NSTAR studies. Adding the line losses to the daily billing load for each account creates the daily load for estimation per account.

Load shapes are applied to the daily load for estimation per account. The load shapes are based on load research data and are broken into weekday load shape and weekend load shape. The application of the load shape distributes the daily load for estimation for each account over 24 hours.

Telemetered accounts (when available) are eliminated at this point. Telemetered accounts are added back later in the process.

Account loads for estimation are then aggregated by supplier ID by Load Zone. When telemetered load is available, it will be scaled for line losses and added back in at this point. Hourly ratios are now developed for each supplier based on the suppliers estimated total load to the total estimated load within each Load Zone.

Metered wholesale load is subtracted from the total territory load (for each Load Zone) for purposes of estimation. The hourly supplier ratios developed from CIS data are applied to the net territory load (for each Load Zone) to calculate each supplier's contribution to the Load Zone load. Metered wholesale load is then added back into the total.

Final estimated supplier values (by Load Zone) are then posted to the ISO Reporting Application ("IRA") System for transmission to ISO-NE.

2. Reporting Of Suppliers' Loads To The ISO

The total hourly load estimates for each supplier's Load Assets are reported to the ISO, in accordance with the ISO standards, for use in the ISO wholesale settlement process.

3. Monthly Reconciliation

Under SMD, the ISO's meter adjustment process requires the re-submittal of hourly data. Territory loads (by Load Zone) may change due to corrections to hourly generation and interchange metered values. Note: the day after reporting of loads may have required directly metered values to be estimated because of equipment / communication problems. These changes will be submitted to the ISO within a 45-day period following the ISO's bill for the month. For example, if the ISO issues its March 2003 bill on April 15, Participants must submit revised hourly data for interchange metering by May 30, 2003. The revised hourly meter data will result in changes to NSTAR's calculated hourly territory load values (Boston Edison NEMA, Boston Edison SEMA, Commonwealth (SEMA) & Cambridge (NEMA)). Revised territory loads are then input to the Load Reconciliation process.

Suppliers' estimated loads must be reconciled to their customers' metered usage and submitted to the ISO 80 days after the ISO's bill for the month. Each distribution company uses customers' actual meter readings, to the extent that they are available, to re-estimate each supplier's hourly loads (by Load Zone) and report the appropriate load assets to the ISO.

The reconciliation methodology is same as the load estimation methodology (actual billing data used instead of latest billing data).

For time of use customers, the actual interval data for the calendar month will be used for reconciliation when available.

Each supplier's reconciled hourly loads are reported to the ISO for resettlement.

4. ICAP

SMD also requires ICAP contributions (by Load Asset) to be calculated each day based on the previous power year's historical peak. Reference Market Rule 1 and related Market Manuals for specific details.

APPENDIX B. CONTRACT RATE

Boston Edison Company

NEMA Load Zone	Residential Existing Default Contract Rate	Residential Transitional Default Contract Rate	Commercial Existing Default Contract Rate	Commercial Transitional Default Contract Rate	Industrial Contract Rate
July 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
August 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
September 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
October 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
November 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
December 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
January 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
February 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
March 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
April 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
May 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
June 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A

Boston Edison Company

SEMA Load Zone	Residential Existing Default Contract Rate	Residential Transitional Default Contract Rate	Commercial Existing Default Contract Rate	Commercial Transitional Default Contract Rate	Industrial Contract Rate
July 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
August 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
September 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
October 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
November 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
December 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
January 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
February 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
March 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
April 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
May 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
June 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A

Cambridge Electric Light Company

NEMA Load Zone	Residential Existing Default Contract Rate	Residential Transitional Default Contract Rate	Commercial Existing Default Contract Rate	Commercial Transitional Default Contract Rate	Industrial Contract Rate
July 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
August 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
September 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
October 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
November 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
December 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
January 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
February 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
March 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
April 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
May 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
June 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A

Commonwealth Electric Company

SEMA Load Zone	Residential Existing Default Contract Rate	Residential Transitional Default Contract Rate	Commercial Existing Default Contract Rate	Commercial Transitional Default Contract Rate	Industrial Contract Rate
July 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
August 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
September 2004	¢/kWh	N/A	¢/kWh	N/A	¢/kWh
October 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
November 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
December 2004	¢/kWh	N/A	¢/kWh	N/A	N/A
January 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
February 2005	¢/kWh	N/A	¢/kWh	N/A	N/A
March 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
April 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
May 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A
June 2005	¢/kWh	¢/kWh	¢/kWh	¢/kWh	N/A

APPENDIX C. GUARANTEE AGREEMENT

This Guaranty Agreement (the "Guarantee") is made by ("Guarantor"), a corporation, in favor of Boston Edison Company ("BEC"), Commonwealth Electric Company ("Commonwealth") and Cambridge Electric Light Company ("Cambridge") (together, "NSTAR Electric") all wholly owned subsidiaries of NSTAR, with a principal place of business at 800 Boylston Street, Boston, MA 02199 ("Counterparty").

WHEREAS, (""), a corporation ("") and Counterparty are parties to that certain Default Service Power Supply Agreement ("Agreement") dated as of (the "Agreement")

WHEREAS, Guarantor is the direct or indirect parent of [____], will receive substantial and direct benefits from the extensions of credit contemplated by the Agreement and has agreed to enter into this Guaranty to provide assurance for the performance of [____] obligations in connection with the Agreement and to induce the Counterparty to enter into the Agreement; and

WHEREAS, the execution and delivery of this Guaranty is a condition to Counterparty's further performance of its obligations under the terms of the Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby unconditionally and absolutely guarantees the punctual payment when due of [____] payment obligations arising under the Agreement, as such Agreement may be amended or modified from time to time, (collectively, the "Guaranteed Obligations"). Guarantor's obligations and liability under this Guaranty shall be limited to payment obligations only and Guarantor shall have no obligation to perform under the Agreement, including, without limitation, to sell, deliver, supply or transport gas, electricity or any other commodity.

2. **Guaranty Absolute.** The liability of Guarantor under this Guaranty shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of or defect or deficiency applicable to [____] in any Agreement or any other documents executed in connection with any Agreement; or
- (b) any modification, extension or waiver of any of the terms of any Agreement; or
- (c) any change in the time, manner, terms or place of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Agreement or any other agreement or instrument executed in connection therewith; or
- (d) except as to applicable statutes of limitation, failure, omission, delay, waiver or refusal by Counterparty to exercise, in whole or in part, any right or remedy held by Counterparty with respect to any Agreement or any transaction under any Agreement; or
- (e) any change in the existence, structure or ownership of Guarantor or [____] or any insolvency, bankruptcy, reorganization or other similar proceeding affecting [____] or its assets.

The obligations of the Guarantor hereunder are several from [____] or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions

precedent to the enforcement of this Guaranty, except as expressly contained herein. It shall not be necessary for Counterparty, in order to enforce payment by Guarantor under this Guaranty, to show any proof of [] default, to exhaust its remedies against [], any other guarantor, or any other person liable for the payment or performance of the Guaranteed Obligations.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by Counterparty upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of [] or any other guarantor, or upon or as a result of the appointment of a receiver or conservator of, or trustee for [] or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by Counterparty in reliance hereon or in connection herewith;
- (b) notice of the entry into any Agreement between [] and Counterparty and of any amendments, supplements or modifications thereto; or any waiver of consent under any Agreement, including waivers of the payment and performance of the obligations thereunder;
- (c) notice of any increase, reduction or rearrangement of [] obligations under any Agreement or any extension of time for the payment of any sums due and payable to the Counterparty under any Agreement;
- (d) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest or any other notice with respect to the Guaranteed Obligations; and
- (e) any requirement that suit be brought against, or any other action by Counterparty be taken against, or any notice of default or other notice be given to, or any demand be made on [] or any other person, or that any other action be taken or not taken as a condition to Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

4. **Expenses.** Subject to the limit on Guarantor's liability hereunder set forth in Section 1, Guarantor agrees to pay on demand any and all out-of-pocket costs, including reasonable legal fees and expenses, and other expenses incurred by Counterparty in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of Counterparty if it is not successful in such enforcement action.

5. **Subrogation.** Guarantor shall be subrogated to all rights of Counterparty against [] in respect of any amounts paid by Guarantor pursuant to the Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise (including, without limitation, any statutory rights of subrogation under Section 509 of the Bankruptcy Code, 11 U.S.C. § 509, or otherwise), reimbursement, exoneration, contribution, indemnification, or any right to participate in any claim or remedy of Counterparty against any collateral which Counterparty now has or acquires, until all of the Guaranteed Obligations shall have been irrevocably paid to Counterparty in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations in default shall not have been paid in full, such amount shall be held in trust for the benefit of Counterparty and shall forthwith be paid to Counterparty to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to Counterparty of all or any part of the Guaranteed Obligations and (b) all the Guaranteed

Obligations shall have been paid in full, Counterparty shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.

6. **Reservation of Defenses.** Guarantor agrees that except as expressly set forth herein, it will remain bound upon this Guarantee notwithstanding any defenses which, pursuant to the laws of suretyship, would otherwise relieve a guarantor of its obligations under a Guarantee. Guarantor does reserve the right to assert defenses which [] may have to payment of any Guaranteed Obligation other than defenses arising from the bankruptcy or insolvency of [] and other defenses expressly waived hereby.

7. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon receipt, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, facsimile or personally delivered. Notices shall be sent to the following addresses:

If to Counterparty:

Mr. Robert H. Martin
Director, Electric and Gas Contract Administration
NSTAR Electric & Gas Corporation
One NSTAR Way NE220
Westwood, MA 02090
(781) 441-8058
(781) 441-8053 (fax)

With a copy to:

NSTAR Electric & Gas Corporation
800 Boylston Street
Boston, MA 02199
Attention: Timothy Cronin
(671) 424-2104
(617) 424-2733 (fax)

If to Guarantor:

with a copy to:

8. **Demand and Payment.** Any demand by Counterparty for payment hereunder shall be in writing, signed by a duly authorized representative of Counterparty and delivered to the Guarantor pursuant to Section 7 hereof, and shall (a) reference this Guaranty, (b) specifically identify [], the nature of the default, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations and (c) set forth payment instructions, including bank name, routing number and bank account number. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within ten (10) business days of receipt of such demand.

9. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of Counterparty to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof

or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10. **Term: Termination.** This Guaranty shall continue in full force and effect until all of the Guaranteed Obligations are satisfied.

11. **Assignment: Successors and Assigns.** Counterparty may, upon notice to Guarantor, assign its rights hereunder without the consent of Guarantor. Guarantor may assign its rights hereunder with the prior written consent of Counterparty, which consent shall not be unreasonably withheld. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.

12. **Amendments, Etc.** A written amendment executed by the Guarantor only may (a) increase the guaranty limit specified in Section I and/or (b) extend the termination date of this Guaranty. No other amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and Counterparty. No waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by Counterparty. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.

14. **Representation and Warranties.**

The Guarantor represents and warrants as follows:

- (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.
- (c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency) reorganization and other laws of general applicability relating to or affecting Counterparty's rights and to general equity principles.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer effective as of this ____ day of _____, 2004 ("Effective Date").

Guarantor:

By: _____

Name:

Title:

APPENDIX B
PROPOSAL FORM

1. General Information

Name of Supplier	
Principal contact person <input type="checkbox"/> Name <input type="checkbox"/> Title <input type="checkbox"/> Company <input type="checkbox"/> Mailing address <input type="checkbox"/> Telephone number <input type="checkbox"/> Fax number <input type="checkbox"/> E-mail address	
Secondary contact person (if any) <input type="checkbox"/> Name <input type="checkbox"/> Title <input type="checkbox"/> Company <input type="checkbox"/> Mailing address <input type="checkbox"/> Telephone number <input type="checkbox"/> Fax number <input type="checkbox"/> E-mail address	
Legal status of Supplier (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation)	
State and date of incorporation, residency or organization	
The names of all general and limited partners (if Supplier is a partnership)	
Description of Supplier and all relevant affiliated entities and joint ventures, including any details regarding financial limitations between partners or affiliates	
Name of financial guarantor	
Statement of relevant experience	

2. Financial Information

Current long term and short term debt rating for Supplier (include ratings and names of rating agencies).	
Date Supplier's last fiscal year ended.	
Total revenue for Supplier for the most recent fiscal year.	
Total net income for Supplier for the most recent fiscal year.	
Total assets for Supplier as of the close of the previous fiscal year.	

3. Defaults and Adverse Situations

<p>Describe, in detail, any situation in which Supplier (either alone or as part of a joint venture), or an affiliate of Supplier, defaulted or was deemed or alleged to be in noncompliance of its contractual obligations to deliver energy and/or capacity at wholesale within the past five years.</p> <p>Explain the situation, the nature of the claims, its outcome and all other relevant facts associated with the event described.</p> <p>Please also identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.</p>	
<p>Describe any facts presently known to Supplier that might reasonably be expected to adversely affect its ability to provide the service(s) bid herein as provided for in the Request for Proposal.</p>	

4. NEPOOL AND POWER SUPPLY EXPERIENCE

Is Supplier a member of NEPOOL?	
Does Supplier have a NEPOOL settlement account?	
Describe Supplier's experience and record of performance in the areas of power marketing, brokering, sales, and/or contracting, for the last five years within NEPOOL and/or the New England region.	
Provide three references (name, title and contact information) who have contracted with the Supplier for similar load following services within the last 2 years.	
Has Supplier, or any affiliate of Supplier, within the last five years, been determined by a court, regulatory authority or other fact-finding entity to have breached or defaulted under any agreement relating to the sale of electricity or natural gas, including any financing agreements? If so, what was the nature of the claims and the resolution?	

5. SCOPE OF BID AND TERMS OF SALE

<p>Will Supplier execute a contract substantially similar to the proposed Power Supply Agreement contained in Appendix A?</p> <p>Explain any proposed modifications.</p>	
<p>List all regulatory or other conditions, approvals or consents required before service can commence.</p>	

6. Proposed Pricing

Specify the monthly contract rates (£/kWh) to supply Default Service to: a) BECo's NEMA Industrial Customer Group, b) BECo's SEMA Industrial Customer Group, c) Commonwealth's Industrial Customer Group, and d) Cambridge's Industrial Customer Group.	

Appendix C

DEFAULT SERVICE

DEFINITIONS

"Competitive Supplier" shall mean any entity licensed by the M.D.T.E. to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Standard Offer Service and Default Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Default Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Standard Offer Service, in accordance with the provisions set forth in this tariff.

"Distribution Company" or "Company" shall mean Boston Edison Company.

"Distribution Service" shall mean the delivery of electricity to the Customer by the Distribution Company.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.

"M.D.T.E." shall mean the Massachusetts Department of Telecommunications and Energy.

"Retail Access Date" shall mean March 1, 1998.

"Standard Offer Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Default Service, in accordance with the provisions set forth in the Company's Standard Offer Service tariff, on file with the M.D.T.E.

DEFAULT SERVICE

AVAILABILITY

Default Generation Service ("Default Service") shall be available to any Customer who is not receiving Standard Offer Service and who, for any reason, is not receiving Generation Service from a Competitive Supplier. Service under this rate to any Customer is subject to both the Company's printed requirements and the Company's Terms and Conditions - Distribution Service, each as in effect from time to time.

APPLICABILITY

Electricity delivered under this Rate Schedule shall be used solely by the Customer on the Customer's own premises for all purposes.

CHARACTER OF SERVICE

Electric service delivered hereunder shall be single or three phase, alternating current, at a nominal frequency of sixty hertz, and at a locally available primary or secondary distribution voltage.

INITIATION OF DEFAULT SERVICE

Default Service may be initiated in any of the following manners:

- A. A Customer who is receiving Generation Service from a Competitive Supplier notifies the Distribution Company that he wishes to terminate such service and receive Default Service. In this instance, Default Service shall be initiated within two (2) business of such notification for residential Customers. For other Customers, Default Service shall be initiated concurrent with the Customer's next scheduled meter read date, provided that the Customer has provided such notification to the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers. If the Customer provided such notification fewer than two (2) days before the Customer's next scheduled meter read date, Default Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;
- B. A Competitive Supplier notifies the Distribution Company that it shall terminate Generation Service to a Customer. In this instance, Default Service shall be initiated for the Customer with the Customer's next scheduled meter read date, provided that the notice of termination of Generation Service is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and

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President

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DEFAULT SERVICE

INITIATION OF DEFAULT SERVICE (continued)

Conditions for Competitive Suppliers. If the notice of termination is received fewer than two (2) days before the Customer's next scheduled meter read date, Default Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;

- C. A Competitive Supplier ceases to provide Generation Service to a Customer, without notification to the Distribution Company. In this instance, Default Service to the Customer shall be initiated immediately upon the cessation of Generation Service;
- D. A Customer taking Standard Offer Service has not chosen affirmatively a Competitive Supplier at the end of the term of Standard Offer Service.
- E. A Customer who moves into the Company's service territory after the Retail Access Date who has not affirmatively chosen a Competitive Supplier.

DEFAULT SERVICE RATES

a) **Two Rate Options**

There are two rate options available to Customers on Default Service. The Supplemental Schedule to this tariff sets forth the rate options for each rate class for the specified period. One option is referred to as the "Fixed Price Option". The second option is referred to as the "Variable Price Option". The rates for each option are subject to change at the end of the specified period upon approval by the Department.

b) **Initial Applicable Option**

The following Customers will automatically be placed by the Company on the Fixed Price Option, unless they otherwise make an election under section (c) and (d) below:

- (i) residential Customers in rate classes R-1, R-2, R-3 and R-4.
- (ii) small commercial & industrial Customers in rate classes G-1, G-2, and T-1.

DEFAULT SERVICE

b) Initial Applicable Option (continued)

The following Customers will automatically be placed by the Company on the Variable Price Option, unless they otherwise make an election under section (c) and (d) below:

- (i) large commercial & industrial Customers in rate classes G-3 and T-2.
- (ii) Streetlighting Customers in rate classes S-1, S-2 and S-3.

c) One-Time Right to Elect Different Option

Customers have a one-time right to elect an option other than the one they are automatically placed on by the Company. However, once the election is made, such Customers will be required to remain on the elected option during their uninterrupted stay on Default Service unless and until they begin taking Generation Service from a Competitive Supplier. Default Service Customers may make this election at the time they are first placed on Default Service or at any time after service has commenced.

d) Timing of Any Switch to a Different Option

Customers may notify the Company at any time to elect a different pricing option. The Company will switch the Customer to the elected option on the next scheduled meter read date after receiving notice from the Customer, provided that the Company has received notice no later than two (2) business days prior to the next meter read date. Otherwise, the switch will not occur until the next successive meter read date after receipt of the notice.

e) Changes in Supplemental Schedule

The Company will file a new Supplemental Schedule for the upcoming pricing prior to the expiration of the current period for which prices have been approved by the Department.

f) Calculation of Fixed and Variable Pricing Option

The Company calculates the Fixed and Variable Pricing Options based on the winning bid(s) accepted by the Company from suppliers. The Variable Price Option represents the actual monthly price from the applicable winning bid(s) for each month of the period. The Fixed Price Option represents a weighted average of the applicable monthly variable price bids for the period.

DEFAULT SERVICE

g) Billing Adjustment when Leaving Default Service

Customers receiving Default Service under the Fixed Price Option who leave Default Service to receive Generation Service from a Competitive Supplier shall be subject to a billing adjustment for the time they were billed under the Fixed Price Option during the last pricing period. Specifically, the billing adjustment shall be based on the difference between the rate under the Fixed Price Option for the last applicable pricing period during which the Customer was on Default Service and the monthly rates under the Variable Price Option for the same period, multiplied by the Customer's kilowatt-hour usage during the same period. The billing adjustment can be either a charge or a credit, depending upon the rates in effect at the time.

h) Low-Income Customers

Customers taking service under the Company's Residential Assistance Rate R-2 will automatically be billed at the lower of the Company's (i) Standard Offer Service Rate or (ii) the Fixed Price Option of the Default Service Rate in effect during the corresponding period.

BILLING

Each Customer receiving Default Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

TERMINATION OF DEFAULT SERVICE

Default Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers.

If the Company receives the notice of initiation of Generation Service by the Competitive Supplier fewer than two days before the Customer's next scheduled meter read date, Default Service shall be terminated concurrent with the Customer's subsequent scheduled meter read date.

There shall be no fee for terminating Default Service.

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DEFAULT SERVICE

SUPPLEMENTAL SCHEDULE – TARIFF FOR DEFAULT SERVICE

In accordance with the terms of the Default Service tariff, the rates for Default Service for Customers receiving such service from the Company are listed below. All rates will be applied as a cents/kwh charge, for usage on and after the first day of each calendar month.

FOR THE PERIOD JULY 1, 2004 THROUGH DECEMBER 31, 2004

Residential

(Rates R1, R2, R3, and R4)

Fixed Price Option: 6.526 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
6.882	6.989	6.315	5.960	6.312	6.619

Small Commercial & Industrial

(Rates G1, G2 and T1)

Fixed Price Option: 6.566 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
7.121	7.248	6.308	5.934	6.193	6.466

Large Commercial & Industrial

(Rates G3 and T2)

NEMA

Fixed Price Option: 7.307 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
7.495	7.643	6.775

SEMA

Fixed Price Option: 6.945 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
7.133	7.276	6.414

Street Lighting /Area Lighting

(Rates S1, S2 and S3)

Fixed Price Option: 6.566 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
7.121	7.248	6.308	5.934	6.193	6.466

DEFAULT SERVICE

DEFINITIONS

"Competitive Supplier" shall mean any entity licensed by the M.D.T.E. to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Standard Offer Service and Default Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Default Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Standard Offer Service, in accordance with the provisions set forth in this tariff.

"Distribution Company" or "Company" shall mean Cambridge Electric Light Company.

"Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.

"M.D.T.E." shall mean the Massachusetts Department of Telecommunications and Energy.

"Retail Access Date" shall mean March 1, 1998.

"Standard Offer Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Default Service, in accordance with the provisions set forth in the Company's Standard Offer Service tariff, on file with the M.D.T.E.

DEFAULT SERVICE

AVAILABILITY

Default Generation Service ("Default Service") shall be available to any Customer who is not receiving Standard Offer Service and who, for any reason, is not receiving Generation Service from a Competitive Supplier. Service under this rate to any Customer is subject to both the Company's printed requirements and the Company's Terms and Conditions - Distribution Service, each as in effect from time to time.

APPLICABILITY

Electricity delivered under this Rate Schedule shall be used solely by the Customer on the Customer's own premises for all purposes.

CHARACTER OF SERVICE

Electric service delivered hereunder shall be single or three phase, alternating current, at a nominal frequency of sixty hertz, and at a locally available primary or secondary distribution voltage.

INITIATION OF DEFAULT SERVICE

Default Service may be initiated in any of the following manners:

- A. A Customer who is receiving Generation Service from a Competitive Supplier notifies the Distribution Company that he wishes to terminate such service and receive Default Service. In this instance, Default Service shall be initiated within two (2) business of such notification for residential Customers. For other Customers, Default Service shall be initiated concurrent with the Customer's next scheduled meter read date, provided that the Customer has provided such notification to the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers. If the Customer provided such notification fewer than two (2) days before the Customer's next scheduled meter read date, Default Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;
- B. A Competitive Supplier notifies the Distribution Company that it shall terminate Generation Service to a Customer. In this instance, Default Service shall be initiated for the Customer concurrent with the Customer's next scheduled meter read date, provided that the notice of termination of Generation Service is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and

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President

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DEFAULT SERVICE

INITIATION OF DEFAULT SERVICE (continued)

Conditions for Competitive Suppliers. If the notice of termination is received fewer than two (2) days before the Customer's next scheduled meter read date, Default Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;

- C. A Competitive Supplier ceases to provide Generation Service to a Customer, without notification to the Distribution Company. In this instance, Default Service to the Customer shall be initiated immediately upon the cessation of Generation Service;**
- D. A Customer taking Standard Offer Service has not chosen affirmatively a Competitive Supplier at the end of the term of Standard Offer Service.**
- E. A Customer who moves into the Company's service territory after the Retail Access Date who has not affirmatively chosen a Competitive Supplier.**

DEFAULT SERVICE RATES

a) Two Rate Options

There are two rate options available to Customers on Default Service. The Supplemental Schedule to this tariff sets forth the rate options for each rate class for the specified period. One option is referred to as the "Fixed Price Option". The second option is referred to as the "Variable Price Option". The rates for each option are subject to change at the end of the specified period upon approval by the Department.

b) Initial Applicable Option

The following Customers will automatically be placed by the Company on the Fixed Price Option, unless they otherwise make an election under section (c) and (d) below:

- (i) residential Customers in rate classes R-1, R-2, R-3, R-4, R-5 and R-6.**
- (ii) small commercial & industrial Customers in rate classes G-0, G-1, G-4, G-5 and G-6.**

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President**

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DEFAULT SERVICE

b) Initial Applicable Option (continued)

The following Customers will automatically be placed by the Company on the Variable Price Option, unless they otherwise make an election under section (c) and (d) below:

- (i) large commercial & industrial Customers in rate classes G-2 and G-3.
- (ii) Streetlighting Customers in rate class S-1.

c) One-Time Right to Elect Different Option

Customers have a one-time right to elect an option other than the one they are automatically placed on by the Company. However, once the election is made, such Customers will be required to remain on the elected option during their uninterrupted stay on Default Service unless and until they begin taking Generation Service from a Competitive Supplier. Default Service Customers may make this election at the time they are first placed on Default Service or at any time after service has commenced.

d) Timing of Any Switch to a Different Option

Customers may notify the Company at any time to elect a different pricing option. The Company will switch the Customer to the elected option on the next scheduled meter read date after receiving notice from the Customer, provided that the Company has received notice no later than two (2) business days prior to the next meter read date. Otherwise, the switch will not occur until the next successive meter read date after receipt of the notice.

e) Changes in Supplemental Schedule

The Company will file a new Supplemental Schedule for the upcoming pricing period prior to the expiration of the current period for which prices have been approved by the Department.

f) Calculation of Fixed and Variable Pricing Option

The Company calculates the Fixed and Variable Pricing Options based on the winning bid(s) accepted by the Company from suppliers. The Variable Price Option represents the actual monthly price from the applicable winning bid(s) for each month of the period. The Fixed Price Option represents a weighted average of the applicable monthly variable price bids for the period.

DEFAULT SERVICE

g) Billing Adjustment when Leaving Default Service

Customers receiving Default Service under the Fixed Price Option who leave Default Service to receive Generation Service from a Competitive Supplier shall be subject to a billing adjustment for the time they were billed under the Fixed Price Option during the last pricing period. Specifically, the billing adjustment shall be based on the difference between the rate under the Fixed Price Option for the last applicable pricing period during which the Customer was on Default Service and the monthly rates under the Variable Price Option for the same period, multiplied by the Customer's kilowatt-hour usage during the same period. The billing adjustment can be either a charge or a credit, depending upon the rates in effect at the time.

h) Low-Income Customers

Customers taking service under the Company's Residential Assistance Rate R-2 or Rate R-4 will automatically be billed at the lower of the Company's (i) Standard Offer Service Rate or (ii) the Fixed Price Option of the Default Service Rate in effect during the corresponding period.

BILLING

Each Customer receiving Default Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

TERMINATION OF DEFAULT SERVICE

Default Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers.

If the Company receives the notice of initiation of Generation Service by the Competitive Supplier fewer than two days before the Customer's next scheduled meter read date, Default Service shall be terminated concurrent with the Customer's subsequent scheduled meter read date.

There shall be no fee for terminating Default Service.

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DEFAULT SERVICE

SUPPLEMENTAL SCHEDULE – TARIFF FOR DEFAULT SERVICE

In accordance with the terms of the Default Service tariff, the rates for Default Service for Customers receiving such service from the Company are listed below. All rates will be applied as a cents/kwh charge, for usage on and after the first day of each calendar month.

FOR THE PERIOD JULY 1, 2004 THROUGH DECEMBER 31, 2004

Residential

(Rates R1, R2, R3, R4, R5 and R6)

Fixed Price Option: 6.269 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
6.676	6.756	5.972	5.806	6.062	6.268

Small Commercial & Industrial

(Rates G0, G1, G4, G5, and G6)

Fixed Price Option: 6.290 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
6.889	6.972	5.992	5.771	5.937	6.088

Large Commercial & Industrial

(Rates G2 and G3)

Fixed Price Option: 6.906 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
7.085	7.225	6.404

Street Lighting /Area Lighting

(Rate S1)

Fixed Price Option: 6.290 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
6.889	6.972	5.992	5.771	5.937	6.088

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DEFAULT SERVICE

DEFINITIONS

"Competitive Supplier" shall mean any entity licensed by the M.D.T.E. to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Standard Offer Service and Default Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Default Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Standard Offer Service, in accordance with the provisions set forth in this tariff.

"Distribution Company" or "Company" shall mean Commonwealth Electric Company.

"Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.

"M.D.T.E." shall mean the Massachusetts Department of Telecommunications and Energy.

"Retail Access Date" shall mean March 1, 1998.

"Standard Offer Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Default Service, in accordance with the provisions set forth in the Company's Standard Offer Service tariff, on file with the M.D.T.E.

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President**

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DEFAULT SERVICE

AVAILABILITY

Default Generation Service ("Default Service") shall be available to any Customer who is not receiving Standard Offer Service and who, for any reason, is not receiving Generation Service from a Competitive Supplier. Service under this rate to any Customer is subject to both the Company's printed requirements and the Company's Terms and Conditions - Distribution Service, each as in effect from time to time.

APPLICABILITY

Electricity delivered under this Rate Schedule shall be used solely by the Customer on the Customer's own premises for all purposes.

CHARACTER OF SERVICE

Electric service delivered hereunder shall be single or three phase, alternating current, at a nominal frequency of sixty hertz, and at a locally available primary or secondary distribution voltage.

INITIATION OF DEFAULT SERVICE

Default Service may be initiated in any of the following manners:

- A. A Customer who is receiving Generation Service from a Competitive Supplier notifies the Distribution Company that he wishes to terminate such service and receive Default Service. In this instance, Default Service shall be initiated within two (2) business of such notification for residential Customers. For other Customers, Default Service shall be initiated concurrent with the Customer's next scheduled meter read date, provided that the Customer has provided such notification to the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers. If the Customer provided such notification fewer than two (2) days before the Customer's next scheduled meter read date, Default Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;
- B. A Competitive Supplier notifies the Distribution Company that it shall terminate Generation Service to a Customer. In this instance, Default Service shall be initiated for the Customer concurrent with the Customer's next scheduled meter read date, provided that the notice of termination of Generation Service is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and

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DEFAULT SERVICE

INITIATION OF DEFAULT SERVICE (continued)

Conditions for Competitive Suppliers. If the notice of termination is received fewer than two (2) days before the Customer's next scheduled meter read date, Default Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;

- C. A Competitive Supplier ceases to provide Generation Service to a Customer, without notification to the Distribution Company. In this instance, Default Service to the Customer shall be initiated immediately upon the cessation of Generation Service;**
- D. A Customer taking Standard Offer Service has not chosen affirmatively a Competitive Supplier at the end of the term of Standard Offer Service.**
- E. A Customer who moves into the Company's service territory after the Retail Access Date who has not affirmatively chosen a Competitive Supplier.**

DEFAULT SERVICE RATES

a) Two Rate Options

There are two rate options available to Customers on Default Service. The Supplemental Schedule to this tariff sets forth the rate options for each rate class for the specified period. One option is referred to as the "Fixed Price Option". The second option is referred to as the "Variable Price Option". The rates for each option are subject to change at the end of the specified period upon approval by the Department.

b) Initial Applicable Option

The following Customers will automatically be placed by the Company on the Fixed Price Option, unless they otherwise make an election under section (c) and (d) below:

- (i) residential Customers in rate classes R-1, R-2, R-3, R-4, R-5 and R-6.**
- (ii) small commercial & industrial Customers in rate classes G-1, G-4, G-5, G-6 and G-7.**

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DEFAULT SERVICE

b) Initial Applicable Option (continued)

The following Customers will automatically be placed by the Company on the Variable Price Option, unless they otherwise make an election under section (c) and (d) below:

- (i) large commercial & industrial Customers in rate classes G-2 and G-3.
- (ii) Streetlighting Customers in rate classes S-1 and S-2.

c) One-Time Right to Elect Different Option

Customers have a one-time right to elect an option other than the one they are automatically placed on by the Company. However, once the election is made, such Customers will be required to remain on the elected option during their uninterrupted stay on Default Service unless and until they begin taking Generation Service from a Competitive Supplier. Default Service Customers may make this election at the time they are first placed on Default Service or at any time after service has commenced.

d) Timing of Any Switch to a Different Option

Customers may notify the Company at any time to elect a different pricing option. The Company will switch the Customer to the elected option on the next scheduled meter read date after receiving notice from the Customer, provided that the Company has received notice no later than two (2) business days prior to the next meter read date. Otherwise, the switch will not occur until the next successive meter read date after receipt of the notice.

e) Changes in Supplemental Schedule

The Company will file a new Supplemental Schedule for the upcoming pricing period prior to the expiration of the current period for which prices have been approved by the Department.

f) Calculation of Fixed and Variable Pricing Option

The Company calculates the Fixed and Variable Pricing Options based on the winning bid(s) accepted by the Company from suppliers. The Variable Price Option represents the actual monthly price from the applicable winning bid(s) for each month of the period. The Fixed Price Option represents a weighted average of the applicable monthly variable price bids for the period.

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DEFAULT SERVICE

g) Billing Adjustment when Leaving Default Service

Customers receiving Default Service under the Fixed Price Option who leave Default Service to receive Generation Service from a Competitive Supplier shall be subject to a billing adjustment for the time they were billed under the Fixed Price Option during the last pricing period. Specifically, the billing adjustment shall be based on the difference between the rate under the Fixed Price Option for the last applicable pricing period during which the Customer was on Default Service and the monthly rates under the Variable Price Option for the same period, multiplied by the Customer's kilowatt-hour usage during the same period. The billing adjustment can be either a charge or a credit, depending upon the rates in effect at the time.

h) Low-Income Customers

Customers taking service under the Company's Residential Assistance Rate R-2 or Rate R-4 will automatically be billed at the lower of the Company's (i) Standard Offer Service Rate or (ii) the Fixed Price Option of the Default Service Rate in effect during the corresponding period.

BILLING

Each Customer receiving Default Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

TERMINATION OF DEFAULT SERVICE

Default Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers.

If the Company receives the notice of initiation of Generation Service by the Competitive Supplier fewer than two days before the Customer's next scheduled meter read date, Default Service shall be terminated concurrent with the Customer's subsequent scheduled meter read date.

There shall be no fee for terminating Default Service.

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DEFAULT SERVICE

SUPPLEMENTAL SCHEDULE – TARIFF FOR DEFAULT SERVICE

In accordance with the terms of the Default Service tariff, the rates for Default Service for Customers receiving such service from the Company are listed below. All rates will be applied as a cents/kwh charge, for usage on and after the first day of each calendar month.

FOR THE PERIOD JULY 1, 2004 THROUGH DECEMBER 31, 2004

Residential

(Rates R1, R2, R3, R4, R5 and R6)

Fixed Price Option: 6.093 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
6.482	6.554	5.798	5.633	5.910	6.076

Small Commercial & Industrial

(Rates G1, G4, G5, G6 and G7)

Fixed Price Option: 6.025 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
6.591	6.706	5.723	5.529	5.675	5.754

Large Commercial & Industrial

(Rates G2 and G3)

Fixed Price Option: 6.741 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
6.928	7.068	6.230

Street Lighting /Area Lighting

(Rates S1 and S2)

Fixed Price Option: 6.025 cents per kilowatt-hour.

Variable Price Option:

<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
6.591	6.706	5.723	5.529	5.675	5.754

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